



Notice is hereby given that a **MEETING** of the **COUNCIL OF THE BOROUGH OF GOSPORT** will be held in the **TOWN HALL, GOSPORT** on **WEDNESDAY** the **TWENTIETH DAY** of **JULY 2011** at **6.00PM** AND **ALL MEMBERS OF THE COUNCIL ARE HEREBY SUMMONED TO ATTEND TO CONSIDER AND RESOLVE THE FOLLOWING BUSINESS –**

1. To receive apologies from Members for their inability to attend the Meeting.
2. To confirm the Minutes of the Annual and Adjourned Annual Meetings of the Council held on 18 and 19 May 2011 (copies herewith).
3. To consider any Mayor's Communications.
4. To receive Deputations in accordance with Standing Order No 3.5 and to answer Public Questions pursuant to Standing Order No 3.6, such questions to be answered orally during a time not exceeding 15 minutes.

(**NOTE:** Standing Order No 3.5 requires that notice of a Deputation should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 18 JULY 2011** and likewise Standing Order No 3.6 requires that notice of a Public Question should be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON MONDAY, 18 JULY 2011**).

5. Questions (if any) pursuant to Standing Order No 3.4.

(**NOTE:** Members are reminded that Standing Order No 3.4 requires that Notice of Question pursuant to that Standing Order must be received by the Borough Solicitor **NOT LATER THAN 12 O'CLOCK NOON ON TUESDAY, 19 JULY 2011**).

6. To receive the following Part II minutes of the Boards of the Council:
  - Policy & Organisation Board: 17 & 19 May and 29 June 2011
  - Community Board: 19 May & 13 June 2011
  - Economic Development Board: 19 May & 22 June 2011
7. Consideration of an objection to the proposed increase to the Hackney Carriage Tariff

To consider the report of the Housing Services Manager (copy herewith)

8. Amended Financial Procedure Rules

To consider the report of the Deputy Section 151 Officer (copy herewith)

9. Updated Anti Fraud & Corruption Policy

To consider the report of the Deputy Section 151 Officer (copy herewith)

10. Project Integra Strategic Board – Standing Deputy

It is recommended that Councillor Burgess, Chairman of the Community Board, be appointed as the Council's Standing Deputy to this Strategic Board for the 2011/12 Municipal Year.

**IAN LYCETT  
CHIEF EXECUTIVE**

**TOWN HALL  
GOSPORT**

12 July 2011

**FIRE PRECAUTIONS**

(To be read from the Chair if members of the public are present)

**In the event of the fire alarm being activated, please leave the Council Chamber and Public Gallery immediately. Proceed downstairs by way of the main stairs or as directed by GBC staff, follow any of the emergency exit signs. People with disability or mobility issues please identify yourself to GBC staff who will assist in your evacuation of the building.**

**MEMBERS ARE REQUESTED TO NOTE THAT:**

**(1) IF THE COUNCIL WISHES TO CONTINUE ITS BUSINESS BEYOND 9.30PM THEN THE MAYOR MUST MOVE SUCH A PROPOSITION IN ACCORDANCE WITH STANDING ORDER 4.11.18**

**(2) MOBILE PHONES SHOULD BE SWITCHED OFF FOR THE DURATION OF THE MEETING**

**AN EXTRAORDINARY MEETING OF THE POLICY AND ORGANISATION  
BOARD WAS HELD ON 17 MAY 2011**

The Mayor (Councillor Allen) (ex-officio) (P); Councillors Beavis (P), Burgess (P), Carter, C R (P), Chegwyn (P), Mrs Forder (P), Hook (Chairman) (P), Lane (P), Langdon (P), Philpott (P) and Wright (P).

**PART II**

**84. SINGLE EQUALITY SCHEME**

Consideration was given to a report of the Chief Executive which sought the adoption of the Council's first Single Equality Scheme and Action Plan (Appendix A) as the Council's framework equalities document replacing the Corporate Equalities Policy and individual Race, Gender and Disability Equality Schemes.

The Scheme sets out how the Council intends to meet its duties under the Equality Act, which became law in April 2010.

RESOLVED: That the Single Equality Scheme and Action Plan be adopted.

**85. SOLENT LOCAL ENTERPRISE PARTNERSHIP**

Consideration was given to a report of the Chief Executive which sought approval for the Council to become a member of the Solent Local Enterprise Partnership (LEP).

Solent LEP covered South Hampshire including Gosport and the Isle of Wight which together formed a functional economic area centred around Portsmouth and Southampton. Membership of the Solent LEP consisted of three classes:

- Business – those undertaking professional business or other commercial activities with a view to profit in the LEP region.
- Higher education – those higher education corporations and institutions in the LEP region.
- Public Sector – County Council, District. Borough Councils or Unitary Authorities having statutory responsibilities with the LEP region.

Gosport Borough Council had been formally requested to join the Solent Local Enterprise Partnership Limited as one of its members drawn from the Public Sector.

RESOLVED: That Gosport Borough Council accepts the invitation to become a member of the Solent Local Enterprise Partnership Limited.

**86. AREA BASED INSULATION SCHEME**

Consideration was given to a report of the Chief Executive which sought member approval to sign up to the Hampshire wide area based insulation scheme.

It was reported that Gosport had a high proportion of older properties within the Borough and average income per family is low compared to the rest of Hampshire. There remained a significant number of properties in Gosport which would benefit from both loft and cavity insulation. This scheme was an extremely cost effective way of enabling householders to significantly reduce their energy bills and CO<sub>2</sub> emissions. It could also have a significant effect on Fuel poverty within the Borough.

RESOLVED: That the Board agrees to participate in the Area Based Insulation Scheme and delegates authority to the Borough Solicitor to enter into any necessary legal agreements to deliver the Area Based Insulation Scheme.

**87. EXCLUSION OF THE PUBLIC**

RESOLVED: That in relation to the following items the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemptions outweighs the public interest in disclosing the information, for the reasons set out in the reports.

**88. SALE OF PREMISES AT TORONTO PLACE**

Consideration was given to an exempt report of the Chief Executive which sought approval for the sale of the freehold interest of the land shown edged black on Plan 1.

The report was exempt from publication as it contained details of the financial affairs of the Council and a third party at a time when negotiations are not finally concluded. These negotiations could be prejudiced if this information was made public which may have an adverse impact on the arrangement to the detriment of the Council tax payers. Therefore the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RESOLVED: That the Board authorises the Head of Property Services to agree terms for the sale of the freehold interest of the premises at Toronto Place known as the former Disinfestation Centre and to authorise the Borough Solicitor to enter into such legal documentation as is necessary to effect the above decision.

**89. NEW GOSPORT LEISURE CENTRE**

By reason of special circumstances, the Chairman determined that the following exempt item be considered at this meeting.

The special circumstances were created by the fact that the Chairman wished the Board to approve a Council preferred bidder for the new Gosport Leisure Centre so that the scheme could be progressed as quickly as possible.

Consideration was given to an exempt report of the Community and Customer Services Manager which made a recommendation as to the appointment of the Council's preferred bidder.

The report was exempt from publication as it contained details of the financial affairs of the Council and a third party at a time when contract documents are not finally concluded. Completion of the contract could be prejudiced if this information was made public which may have an adverse impact on the contract arrangements to the detriment of the Council tax payers. Therefore the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

RESOLVED: That the Board:

- a) accept DC Leisure Management Limited's bid for Optimum Facility Mix – including Sports Hall, Soft Play / Creche and 5/7 a-side floodlit STP;
- b) select DC Leisure Management Limited as its preferred bidder;
- c) agree to the disposal of the land subject to the statutory procedure referred to in Section 6 of the report and note the Council's intention to 'Opt to Tax' set out in Section 7 of the report;
- d) authorise the Borough Solicitor to extend the contract with the Arena Group for the management of the Holbrook Recreation Centre as set out in Section 4 of the report; and
- e) authorise the Borough Solicitor to enter into any necessary agreements to give effect to the Board's decision.

The meeting ended at 7.06pm.

Policy and Organisation Board

19 May 2011

**A MEETING OF THE POLICY AND ORGANISATION BOARD  
WAS HELD ON 19 MAY 2011**

The Mayor (Councillor Carter CR) (ex-officio); Councillors Beavis (P), Burgess (P), Chegwyn (P), Mrs Forder (P), Hook (Chairman) (P), Lane (P), Langdon (P), Philpott (P), Smith (P) and Wright (P).

**PART II**

**5. ELECTION OF VICE-CHAIRMAN**

RESOLVED: That Councillor Burgess be appointed Vice-Chairman of the Policy and Organisation Board for the Municipal Year 2011-12.

The meeting ended at 7.10p.m.

**A MEETING OF THE POLICY AND ORGANISATION BOARD WAS HELD  
ON 29 JUNE 2011**

The Mayor (Councillor Carter, C R) (ex-officio); Councillors Beavis (P), Burgess (P), Chegwyn, Mrs Forder (P), Hook (Chairman) (P), Lane (P), Langdon (P), Philpott (P), Smith (P) and Wright (P).

**PART II**

**11. MEDIUM TERM FINANCIAL STRATEGY 2011/12 – 2015/16**

Consideration was given to a report of the Financial Services Manager on the above. The Board was requested to consider the updated Medium Term Financial Strategy for 2011/12 – 2015/16 as outlined in Appendix 1 to the report.

The Council reviewed and approved the Medium Term Financial Strategy each year. Following the recent completion of the budget cycle for 2011/12, it was timely to review the strategy prior to the consideration of a budget strategy for 2012/13 by the Board later in the year.

It was reported that projections contained in the Medium Term Financial Strategy indicated that the Council's General Fund budget requirements would remain relatively stable over the next 4 years following the action taken during the last 12 months to reduce commitments and work with reducing Exchequer support.

**RESOLVED:** That the Medium Term Financial Strategy for 2011/12 – 2015/16 as outlined in Appendix 1 to the Manager's report be approved.

**12. TRANSPARENCY – PUBLICATION OF ADDITIONAL DATA  
REGARDING MEMBER INTERESTS, ATTENDANCE ETC**

Consideration was given to a cross reference from the Standards and Governance Committee (23 June 2011) which requested that the Board give final consideration to the report submitted initially to the Committee on the above; together with officers submitting examples of what other local authorities presented on their websites in these areas.

The Board had circulated to it a summary table of the requested comparison investigation by officers on websites for Hampshire County Council, Portsmouth City Council, Fareham Borough Council, Havant Borough Council and Gosport Borough Council. The summary showed that Gosport was in line with its neighbouring local authorities, with the exception of the County Council, in not officially recording in individual table form on its website, attendance at meetings. Similarly all three District Councils did not include on their websites individual Councillor Financial Interests/Gifts and Hospitality.

The Chief Executive's report advised that as previously reported by the Monitoring Officer, the Government had produced a number of consultation documents relating to the transparency agenda for the publication of information by local authorities but at this moment in time there was no legislative requirement for the Council to

publish or to publish in any particular manner information related to Members attendance at meetings or their register of interest.

There was a consensus amongst Board members that the council should be as transparent as it possibly could on how councillors served their community. Therefore it was recommended that attendance at meetings, training events, civic events and the recording of financial interests (including gifts and hospitality) be recorded on the council's website. An explanatory rider was also to be added that such activities formed only a part of a councillor's duties; much more detailed work being carried out in individual Wards and for the community as a whole. A web link also to be provided to a councillor's role and responsibilities under the constitution.

RESOLVED: That the Council publishes on its website individual Councillor's:

- attendance at meetings
- Financial interests (including Gifts & Hospitality)
- attendance at training events
- attendance at civic events

The meeting ended at 6.15 pm.



**A MEETING OF THE COMMUNITY BOARD**

**WAS HELD ON 19 MAY 2011**

The Mayor (Councillor Carter CR) (ex-officio), Chairman of the Policy and Organisation Board (Hook) (ex-officio) (P), Councillors Mrs Bailey (P), Burgess (Chairman) (P), Carter C K (P), Mrs Cully (P), Edgar (P), Mrs Forder (P), Henshaw, Mrs Hook (P), Hylands (P), Jessop (P), Kimber (P) and Murphy (P).

**PART II**

**5. ELECTION OF CHAIRMAN**

RESOLVED: That Councillor Burgess be appointed as Chairman of the Community Board for the Municipal Year 2011-2012.

**6. ELECTION OF VICE-CHAIRMAN**

RESOLVED: That Councillor Kimber be appointed as Vice-Chairman of the Community Board for the Municipal Year 2011-2012.

The meeting ended at 7.12 p.m.

Community Board 13 June 2011  
**A MEETING OF THE COMMUNITY BOARD**  
**WAS HELD ON 13 JUNE 2011**

The Mayor (Councillor Carter C R) (ex-officio), Chairman of the Policy and Organisation Board (Councillor Hook) (P), Councillors Mrs Bailey, Burgess (P), CK Carter (P), Mrs Cully (P), Edgar (P), Mrs Forder (P), Henshaw, Hylands (P), Mrs Hook (P), Jessop (P), Kimber (P) and Murphy (P).

It was reported that, in accordance with Standing Orders, Councillor Hook and Councillor Ms Ballard had been nominated to replace Councillor Henshaw and Councillor Mrs Bailey respectively, for this meeting.

**10. DEPUTATIONS**

A deputation had been received from Mrs. Nelson regarding animal health and well being.

Mrs Nelson advised the Board that she was speaking on behalf of Stop Wickham Animal Testing (SWAT) and hoped to build upon the letter she had sent to all Councillors before the meeting. She had concerns regarding potential cases of animal cruelty at Wickham Laboratories, especially the use of LD50 tests on mice. She was concerned that Wickham Laboratories wished to move their laboratories into Gosport and asked for Councillors to consider whether this was a business they wished to have in their Borough.

Mrs Nelson circulated a leaflet containing further information regarding LD50 testing.

**PART II**

**12. ENVIRONMENTAL HEALTH (COMMERICAL) SERVICE PLAN 2011/12**

**Councillor Hylands declared a personal and prejudicial interest in this item, left the meeting room and took no further part in the discussion or voting thereon.**

Consideration was given to a report of the Head of Environmental Health which identified the work programme for the Environmental Health (Commercial) team for the year 2011 – 12.

The Head of Environmental Health explained that it was a requirement of the Food Standards Agency and the Health & Safety Executive respectively that work undertaken was adequately resourced and formally endorsed by the Council.

Councillors asked whether the Council had enough resources to fulfil their statutory requirements. The Head of Environmental Health explained that for 2011/12 outside contractors were used, however joint working with Fareham Borough Council meant this was not necessary from 2012/ 13 onwards. Councillor Hook noted that the reduction in use of outside contractors was a clear benefit of partnership working.

The Head of Environmental Health confirmed that all premises were inspected on a risk basis, ranging from every six months to every three years. Rears of premises were also always inspected.

Councillors discussed the use of inspectors who were multi skilled compared to those with

specific skills.

RESOLVED: That the Board adopt the work plan for the Environmental Health (Commercial) Team for 2011 – 12, in respect of food safety and health and safety at work enforcement.

### **13. RENTED ACCOMMODATION IN THE PRIVATE SECTOR (RAPS). A PARTNERSHIP APPROACH**

Consideration was given to a report of the Housing Services Manager which sought approval of the proposed pledges provided in appendices a, b and c of the report.

Councillors queried whether the minimum of 240 new lets to be established each year was achievable. The Head of Housing Options advised that total officer casework had increased by 20% in the last three years, which could be attributed to the general economic climate, so these new lets needed to be found.

The Head of Housing Options advised the Board that the Landlords and agents chosen had a long established relationship with the Council.

Councillors discussed the importance of confidentiality when sharing information with Landlords and Agents. The Head of Housing Options agreed that this was an important matter to consider with each case. He advised that in order for the partnership to be successful, there should be a good level of communication between the Council and Landlords. But recognised that some sensitive information would not be shared.

RESOLVED: That the Board notes the report and approves:

- a) the Landlord Agent Pledge and Landlord Pledge including the financial provisions;
- b) the Tenant Pledge;
- c) the Housing Services Manager being allowed to approve the Landlord Agent Accreditation Scheme under delegated powers in consultation with the Community Board Chairman and the Council's Borough Solicitor; and
- d) the RAPS scheme as the Council's Accredited Scheme for private lets in the Borough.

### **14. PROJECT INTEGRA ANNUAL ACTION PLAN 2011 - 2016**

Consideration was given to a report of the Environmental Services Manager which sought approval for the Project Integra Annual Action Plan 2011 – 2016.

A Councillor queried where fuel contaminated by sea water should be disposed of. The Head of Streetscene advised that he would take this query back to Project Integra and provide an update in due course for members of the Board.

RESOLVED: That the Project Integra Annual Action Plan 2011 – 2016 be approved.

**15. EXCLUSION OF THE PUBLIC**

RESOLVED: That in relation to the following item the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information within Paragraph 4 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.

**16. FAREHAM AND GOSPORT CCTV STRATEGY**

**Note: Councillors Mrs Hook, Hook and Hylands declared personal interests in this item and remained in the meeting room.**

Consideration was given to the exempt report of the Head of Community Safety which informed the Board of the Fareham and Gosport CCTV Strategy.

The report was exempt from publication as it included information relating to potential changes in contracted services, with labour related implications.

The Board agreed to the following amendment of the third recommendation: 'To approve in principle, in line with 2c of the Options Appraisal, a reduction of 25% of fibre connections to the CCTV Control Centre in favour of other methods of recording and/ or monitoring.'

RESOLVED: That the Board:

- a) endorse the direction of travel set out in the Strategy and support its implementation through the Fareham and Gosport CCTV Partnership panel;
- b) agree changes to monitoring arrangements in line with Option 1c of the Options Appraisal in agreement with Fareham Borough Council; and
- c) approve in principle, in line with 2c of the Options Appraisal, a reduction of 25% of fibre connections to the CCTV Control Centre in favour of other methods of recording and/ or monitoring.

**17. ANY OTHER ITEMS**

There was no other business.

The meeting ended at 7.25pm.

**A MEETING OF THE ECONOMIC DEVELOPMENT BOARD  
WAS HELD ON 19 MAY 2011**

The Mayor (Councillor Carter CR) (ex-officio), Chairman of the Policy and Organisation Board (Councillor Hook) (ex-officio) (P), Councillors Allen (P), Chegwyn (P), Edgar (P), Mrs Forder (P), Mrs Hook (P), Kimber (P), Lane (Chairman) (P), Langdon (P), Ronayne (P) and Mrs Searle (P).

**PART II**

**5. ELECTION OF CHAIRMAN**

RESOLVED: That Councillor Lane be appointed as Chairman of the Economic Development Board for the Municipal Year 2011-12.

**6. ELECTION OF VICE-CHAIRMAN**

RESOLVED: That Councillor Langdon be appointed as Vice-Chairman of the Economic Development Board for the Municipal Year 2011-12.

The meeting ended at 7.14 p.m.

**A MEETING OF THE ECONOMIC DEVELOPMENT BOARD  
WAS HELD ON 22 JUNE 2011**

The Mayor (Councillor CR Carter) (ex-officio); Chairman of the Policy and Organisation Board (Councillor Hook) (P), Councillors Allen (P), Chegwyn (P), Edgar, Mrs Forder, Mrs Hook (P), Kimber (P), Lane (P), Langdon (P), Ronayne (P) and Mrs Searle (P).

It was reported that in accordance with Standing Orders, Councillors Hook and Forder had been nominated to replace Councillors Edgar and Mrs Forder respectively, for this meeting.

**PART II**

**12. PARTNERSHIP FOR URBAN SOUTH HAMPSHIRE (PUSH): REVISION TO CONSTITUTIONAL ARRANGEMENTS**

Consideration was given to a report of the Chief Executive which sought Board approval to revise the constitutional arrangements relating to the Partnership for Urban South Hampshire. The changes had already been considered by the PUSH Joint Committee and had been recommended for approval by the constituent authorities.

The Board were advised that the constitutional changes were minor and needed to be formally approved. New Forest District Council had left PUSH and the Isle of Wight Council had recently joined. In addition the veto facility for Portsmouth and Southampton City Councils and Hampshire County Council had been removed.

RESOLVED: That the revised constitutional arrangements set out in the report relating to PUSH be approved.

**13. ENTERPRISE AND SMALL BUSINESS SUPPORT**

Consideration was given to a report of the Head of Economic Prosperity, Tourism and Culture which briefed Members on the changes affecting the provision of Enterprise and Small Business Support in Gosport and seeking approval for a programme of support for 2011/12.

Members were advised that Business Support arrangements had been reviewed as Business Link no longer provided face to face support.

The Enterprise First service would continue and incorporate a joint initiative with the Library Service and Hampshire Action Team to extend and improve resources available in the Discovery Centre.

In addition, it was proposed to work in partnership with Eastleigh Borough Council's Southern Entrepreneurs programme to build networks and provide support and training.

It was seen as important to offer effective Business support services, particularly with the potential of employment sites at Daedalus and Haslar.

RESOLVED: That the proposed programme of Enterprise and Small Business Support for 2011/12 be approved.

#### **14. GOSPORT PROPOSITION**

Consideration was given to a report of the Head of Economic Prosperity, Tourism and Culture on the preparation and purpose of the document 'Gosport: An Opportunity 2011-2026, Business Growth and Community Regeneration', seeking approval for its use in accordance with the recommendations in the report.

The Board was advised that the document was a key document; it showed visions for key sites in the area and advertised what Gosport had to offer economically.

The Chairman advised that it had been produced with independent input to ensure that it provided best value. Work had been undertaken to develop the title of the document. In addition, the strap line would be used on other documents to indicate Gosport's readiness for business development and plans for the future.

In response a Member advised the meeting that the document was welcome and showed the aspirations for the development of Gosport. The inclusion of Education as a priority sector for delivering growth in the document would be welcome.

It was recognised that engineering would be important to the future development of Gosport, but that it could not provide the complete economic answer. Schools and education should be included as they would provide the training for the identified objectives for the priority development areas of Tourism, Leisure and Health and Social Care.

The Board were advised that funding to create specialist schools was no longer available; it would therefore be difficult for a local school to take on an engineering specialism. Substantial investment would be required to provide the correct class rooms for engineering specialism and the recruitment of specialist staff would also be difficult.

In conclusion, the Board was requested to consider making amendments to the document to reflect the importance of development in the provision of education in the Borough.

Members felt that engineering should be seen as a broad topic, providing a range of opportunities. It was noted that employers were seeking engineers specific to individual business needs and recognised that links could be made with HMS Sultan to develop courses meeting the requirements of local employers.

Members recognised that the document led in examining economic development potential in Gosport, but recognised that education played a role in developing skills.

The Board identified some minor amendments to the document and requested that the key strand of 'Skills and Training' be renamed 'Education, Skills and Training'.

RESOLVED: That, subject to the identified amendments, the proposed programme of Enterprise and Small Business Support for 2011/12 be approved.

#### **15. DISPOSAL OF LAND AT HOLBROOK – CONSIDERATION OF OBJECTIONS**

## Economic Development Board

22 June 2011

Consideration was given to a report of the Borough Solicitor and appended letters, detailing the receipt of objections to the intended disposals of land consisting of open space at Holbrook in connection with the Gosport Leisure Park Development.

RESOLVED: That the objections received be rejected and the disposals of the land at Holbrook be proceeded with.

### **16. EXCLUSION OF THE PUBLIC**

RESOLVED: That in relation to the following item the public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this item there would be disclosure to them of exempt information within Paragraph 3 of Part 3 of Schedule 12A to the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the report.

### **17. PEPPERS, COMPASS POINT, WALPOLE PARK**

**Councillors Mrs Hook and Hook declared personal interests in this item and remained in the meeting room.**

Consideration was given to an exempt report of the Housing Services Manager on the above.

The report was exempt from publication as it contained details of the financial affairs of the Council and a third party at a time when negotiations were not finally concluded. These negotiations could be prejudiced if this information was made public which may have an adverse impact on the arrangements to the detriment of the Council Tax Payer. Therefore as the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

RESOLVED: That:

- a) the Head of Property Services be authorised to conclude the negotiations for the grant of a new lease on terms to be agreed; and
- b) the Borough Solicitor be authorised to enter into such legal documentation as necessary to effect the above decision.

### **18. ANY OTHER BUSINESS**

The Chairman advised that he was hoping to arrange a number of briefings for Members of the Economic Development Board on key topics.

CONCLUDED 6.27PM



## **AGENDA ITEM NO. 7**

<b>Board/Committee:</b>	Full Council
<b>Date of Meeting:</b>	20 July 2011
<b>Title:</b>	Consideration of an objection to the proposed increase to the Hackney Carriage Tariff
<b>Author:</b>	Housing Services Manager
<b>Status:</b>	FOR RECOMMENDATION.

### **PURPOSE**

The report brings to the attention of the Full Council an objection that has been received to the proposed increase in the Hackney Carriage Tariff for 2011/ 2012.

### **RECOMMENDATION**

1. To consider an objection to the proposed increase to the Hackney Carriage Tariff for 2011/ 2012; and
2. Decide whether the proposed increase to the Hackney Carriage Tariff shall come into force with or without modification on the 1<sup>st</sup> September 2011.

## **1 BACKGROUND**

- 1.1 This Council is the licensing authority for Hackney Carriage operations within the Borough. The Licensing Board reviews the Hackney Carriage Tariff ("Tariff") on an annual basis. The Department of Transport's guidance states that in reviewing the Tariff "authorities should pay regard to the needs of the travelling public, with reference both to what is reasonable to expect pay but also to the need to give taxi drivers sufficient incentive to provide a service when its needed".
- 1.2 The review takes into account any variation in Hackney Carriage operating costs over the preceding 12 months calculated as a percentage using a formula agreed with the taxi trade in 2001. ("Operating Costs"). The Council's Financial Services Manager then prepares two different Model Tariffs ("Models") set in line with the increase in Operating Costs. Licence Holders are asked, by means of a questionnaire, to state their Model preference.
- 1.3 Section 65 Local Government (Miscellaneous Provisions) Act 1976 ("the Act") requires the Council to advertise in advance any proposed increase to the Tariff in order that objections may be made, and considered by the Council prior to implementation.

## **2 REPORT**

- 2.1 This year's Tariff review identified an increase of 4.68% in Operating Costs. The two different Models were prepared by the Financial Services Manager in line with this increase. One Model retained the existing pull off charge of £2.80 and an increase of 4.61% ("Model 1"). The second model incorporated a reduced pull off charge of £2.20p together with the full increase in the tariff of 4.68% ("Model 2"). This year a third Model was prepared with a reduced pull off charge of £2.20p with no significant increase, 0.39% ("Model 3"), in response to requests from a number of Licence Holders wishing to see the pull off charge element of the Tariff reduced to the same level as Portsmouth and Fareham, due to the current economic climate. Licence Holders were consulted on all three Models.
- 2.2 The report before the Licensing Board at its meeting on 7th June 2011 provided information on the results of the canvass of Licence Holders. Out of the 22 replies received; 5 replies supported Model 1; 6 replies supported Model 2. The remaining 11 replies supported Model 3.
- 2.3 The Licensing Board heard from two Licence Holders who supported Model 3. One of them handed in an additional 16 questionnaires from Licence Holders supporting Model 3. The Licensing Board also heard from another Licence Holder, who strongly supported Model 1.
- 2.4 Members of the Licensing Board accepted in these difficult financial times, it was in the interest of the taxi operator to find ways of reducing overheads and minimise any increase to customers and unanimously agreed that the adoption of Model 3 was best placed to do this. The Licensing Board agreed that Model 3 be implemented subject to public consultation.
- 2.5 The proposed increase was publicly advertised in the Portsmouth News on the 20<sup>th</sup> June 2011. An objection to the proposed Tariff increase has been received, and must be considered by Full Council prior to implementation.
- 2.6 **Appendix 1** is the current Tariff;; **Appendix 2** Table showing the effect of implementing the proposed increase; **Appendix 3** is the report before the Licensing Board on 7th June 2011; **Appendix 4** extract from the draft minutes of the said meeting.

### **3 OBJECTIONS**

- 3.1 The principal grounds of the objection are:
- i. The formula was devised to automatically generate a Tariff and remove it from the political arena. This year's formula indicated a 4.68% increase.
  - ii. In past years Models were produced to decide how the new

Tariff should be applied, however this year a third Model was produced with no significant increase and an actual decrease on some fares.

iii. The cost will have to be borne of adjusting the meters to take lower fares.

3.2 In response to these objections:

i. The percentage variation in Operating Costs is only one factor that the Licensing Board takes into account when setting the Tariff for the forthcoming 12 months. The Licensing Board must also have regard to the needs of the travelling public, with reference to what is reasonable to expect to pay.

ii. This year Model 3 was prepared with only a minimal increase, 0.39%, in response to requests from a number of Licence Holders wishing to see the pull off charge element of the Tariff reduced to the level of Portsmouth and Fareham. The Licence Holders were consulted on the three Models.

iii. The Tariff is the maximum that can be applied; the Council has not set a minimum Tariff. The trade has therefore an opportunity to review the actual Tariff applied in order to address any competitive imbalance.

#### **4 RISK ASSESSMENT**

4.1 The failure to consider the objection to the revised Hackney Carriage Tariff Table may provide grounds for a Judicial Review.

#### **5 CONCLUSION**

5.1 The Council must consider the objections that it has received to the proposed increase in the tariff.

5.2 Until such time as the Council determines this matter the revised tariff table structure for Hackney Carriages cannot be implemented.

5.3 Following their consideration of this matter the Council must confirm an implementation date for the revised fee structure within 2 months.

<b>Financial Services comments:</b>	
<b>Legal Services comments:</b>	Contained in report
<b>Service Improvement Plan implications:</b>	The matter does not form part of the SIP.
<b>Corporate Plan:</b>	This matter is not identified in the Corporate Plan however the Council would wish to operate the licensing function at a

	proper cost.
<b>Risk Assessment:</b>	See above.
<b>Background papers:</b>	Housing Service Managers Report to the Licensing Board 7 <sup>th</sup> June 2011 "Review of Hackney Carriage Fare tariff".
<b>Appendices/Enclosures:</b>	
Appendix '1'	Current Hackney Carriage Tariff Table
Appendix '2'	Table showing the effect of implementing proposed increase.
Appendix '3'	The Licensing Board Report on 7th June 2011
Appendix '4'	Extract from the draft minutes of the Licensing Board meeting held on 7th June 2011
<b>Report author/ Lead Officer:</b>	R Bray Ext 5553 Senior Licensing Officer

## Appendix 1



### MAXIMUM HACKNEY CARRIAGE FARES

i)	<b><u>MILEAGE</u></b>	
	For the first 706 metres or part thereof	£2.80
	For each subsequent 205 metres or part thereof	20p
ii)	<b><u>WAITING TIME</u></b>	
	For each period of 50 seconds or uncompleted part	20p
iii)	<b><u>EXTRA CHARGES</u></b>	
a)	For each hiring between 12 midnight and 6 am on any day	50% of the above rate of fare
b)	At all times on Bank and Public Holidays and Christmas & New Year's Eve from 7.30 pm to 6.00 am the next normal working day following the Christmas & New Year Public Holidays.	50% of the above rate of fare
c)	For each article of luggage (suitcase or similar)	20p
d)	For each dog (except guide, hearing and certain assistance dogs)	20p
e)	For each person in excess of one	20p
f)	For large items of luggage excluding wheelchairs	*
	* By arrangement with driver, but not to exceed the fare charges for the whole journey	
	For fouling a vehicle	£50.00

***The above fare scale came into effect on 1 August 2010***

Any enquiries should be addressed to:  
ENVIRONMENTAL SERVICES - ENVIRONMENTAL HEALTH  
TOWN HALL, GOSPORT, PO12 1EB  
TEL: 023 9254 5505  
e-mail: [ehs@gosport.gov.uk](mailto:ehs@gosport.gov.uk)

**ADDITIONAL PUBLIC HOLIDAY 29 APRIL 2011**  
**Paragraph b) applies**

## Appendix 2

### **GOSPORT BOROUGH COUNCIL**

#### **TABLE OF FARES FOR HIRE OF HACKNEY CARRIAGES LOCAL GOVERNMENT (MISCELLANEOUS PROVISIONS) ACT 1976**

**NOTICE IS HEREBY GIVEN THAT:**

#### **MAXIMUM HACKNEY CARRIAGE FARES**

1. Gosport Borough Council has resolved to vary the table of fares for the hire of Hackney Carriages in the Borough of Gosport as follows:
    - i) **MILEAGE**  
For the first 199 metres or part thereof - £2.20  
For the next 199 metres or part thereof - 20p  
For each subsequent 199 metres or part thereof - 20p
    - ii) **WAITING TIME**  
For each period of 50 seconds or uncompleted part - 20p
    - iii) **EXTRA CHARGES**
      - a) For each hiring between 12 midnight and 6 am on any day - 50% of the above rate of fare.
      - b) At all times on Bank and Public Holidays - 50% of the above rate of fare
      - c) On Christmas Eve & New Year's Eve from 7.30 pm to 6.00 am the next normal working day following the Christmas & New Year Public Holidays - 50% of the above rate of fare
      - d) For each article of luggage - 20p
      - e) For each dog (except guide, hearing and certain assistance dogs) - 20p
      - f) For each person in excess of one - 20p
      - g) For large items of luggage excluding wheelchairs\*  
\*By arrangement with driver, but not to exceed the fare charges for the whole journey
- For fouling a vehicle - £50.00

Any objection to the revised tariff should be made in writing, stating the grounds of the objection and submitted to the undersigned within 14 days of the date of the publication of this Notice.

If no objection to the variation to the tariff is duly made within the period specified, or if all objections so made are withdrawn, the variation shall come into operation on 1st August 2011.

**K CARRON**  
**HOUSING SERVICES MANAGER**  
**BOROUGH COUNCIL OF GOSPORT, TOWN HALL, HIGH STREET,**  
**GOSPORT PO12 1EB**

## Appendix 3

### Licensing Board report 07.06.11

Agenda item no

<b>Board/Committee:</b>	LICENSING BOARD
<b>Date of meeting:</b>	7 JUNE 2011
<b>Title:</b>	REVIEW OF HACKNEY CARRIAGE FARE TARIFF
<b>Author:</b>	HOUSING SERVICES MANAGER & FINANCIAL SERVICES MANAGER
<b>Status:</b>	FOR DECISION

#### **Purpose**

The report advises the Licensing Board of the role of the licensing authority in controlling the Hackney Carriage tariff and advises the Board on a potential increase the Hackney Carriage tariff currently in operation and related fees.

#### **Recommendations**

The Licensing Board is requested to:-

Consider an increase in the maximum level of Hackney Carriage fares chargeable and consider which formula and tariff model should be implemented, subject to public consultation, from 1 August 2011.

#### **1.0 Background**

- 1.1 It is an offence for a Hackney Carriage driver to charge more than the tariff set by the licensing authority for a journey. Any alteration to the tariff must be agreed by the licensing authority and is subject to public consultation prior to implementation.
- 1.2 Previously this Council has reviewed the Hackney Carriage tariff for vehicles operating in the Borough on an annual basis. The means adopted to carry out this review has been a formula which was agreed by the Licensing Sub Committee at its meeting held on the 4 October, 2001, following consultation with the trade. The formula calculates the operating costs of Hackney Carriages with certain elements incurring different weightings to reflect their contribution to the overall costs incurred by the trade.
- 1.3 The tariffs operated by hackney carriages in the borough comprise of tariff 1 (100% of the agreed tariff) between 06:00 and 00:00 (midnight) and tariff 2 (150%) between 00:01 and 06:00 each day. The tariff applied on bank holidays is tariff 2 all day; the tariff is also increased to tariff 2 on New Years Eve from 19:30 until midnight.

## 2.0 **Report**

- 2.1 The Hackney Carriage tariff was last presented to the Licensing Board for review on the 8 June 2010. At this meeting the Licensing Board approved the recommendation to increase the tariff by 3.98% along with other charges increased
- 2.2 A copy of the approved formula is shown in **Appendix A** and indicates that should the Board consider it being used to determine the increase for the period since the tariff was last amended an increase of 4.68% appropriate. Two models for achieving a tariff increase approximately in line with this increase are shown in **Appendix B**. Model 1, is based on the current pull off rate of £2.80. Model 2, has been prepared based on a modified pull off rate of £2.20. Model 3, has been prepared based on a modified pull off rate of £2.20 and with no percentage increase.
- 2.3 Guidance issued by the Department for Transport states that "*Fare scales should be designed with a view to practicality. The Department sees it as good practice to review the fare scales at regular intervals.*" The guidance goes on to say "*The Department also suggests that in reviewing fares authorities should pay regard to the needs of the travelling public, with reference both to what is reasonable to expect people to pay but also to the need to give taxi drivers sufficient incentive to provide a service when it is needed*".
- 2.4 All vehicle licence holders have been consulted on the formula findings and invited to indicate their preferred option model. A full summary of the licence holder's responses will be circulated at the board hearing.
- 2.5 The vehicle licence holders have not indicated that the Board consider any other matters regarding implementation of the tariffs and related charges.

## 3.0 **Comparison with other Hampshire Local Authorities**

- 3.1 **Appendix C** shows the comparison of both Gosport's existing Hackney Carriage fare with fare levels of other Hampshire Authorities.
- 3.2 It can be seen that Gosport's current pull off tariff is higher than the neighbouring authorities of Portsmouth and Fareham. Individual vehicle licence holders have expressed their wish to see the Gosport pull off tariff rate reduced to the level of Portsmouth and Fareham. Model 2 has reflected the reduced pull off rate and an increase in line with the revised tariff formula. Model 3 has reflected the reduced pull off rate with only a minimal increase and no increase from the revised formula. This minimal



increase model has been prepared in response to requests from a number of individual vehicle licence holders who wish only to see the Gosport pull off rate reduced to the level of Portsmouth and Fareham with no percentage increase. This is due to the current economic climate.

#### **4.0 Risk Assessment**

- 4.1 Recent guidance received from the Department for Transport recommends regular review of the tariff using a formula approach. Failure to review the tariff may provide grounds for judicial review of the process adopted by the Council for setting the Hackney Carriage tariff.
- 4.2 The main risks relating to the setting of the maximum Hackney Carriage fares charging levels are that the fares are either set too high and will be seen as unfair to the customer and discourage the use of taxi's or set too low and will affect the trade adversely leading to insufficient provision. This risk has been reduced both by the comparison with other Hampshire Local Authorities tariff levels and the consultations with the Gosport Hackney Carriage operators.

#### **5.0 Legal Implications**

- 5.1 The Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847 provide licensing authorities with the power to set Hackney carriage tariffs.
- 5.2 It is an offence for Hackney carriage drivers to charge in excess of the tariff set by the licensing authority.
- 5.3 Any variation in the tariff must be advertised in at least one local newspaper not less than 14 days prior to implementation to provide the public with an opportunity to object.

#### **6.0 Conclusion**

- 6.1 An increase of 4.68% has been identified by the Hackney carriage Tariff formula as the percentage increase in the hackney carriage tariff due for 2011/12 in the Borough.
- 6.2 All the vehicle licence holders have been written to and invited to comment and indicate a preference of the findings indicated by the formula. A full update of the vehicle licence holder's consultation will be presented at the board hearing by the Senior Licensing Officer
- 6.3 Any alterations in the tariff structure can only be by agreement of the licensing authority and will be subject to public consultation prior to implementation.

<b>Financial Services comments:</b>	
<b>Legal Services comments:</b>	As contained in the report
<b>Service Improvement Plan implications:</b>	None
<b>Corporate Plan:</b>	None
<b>Risk Assessment:</b>	The Council is committed to an annual review of the Hackney Carriage tariff.
<b>Background papers:</b>	Report to Licensing Sub Committee October 2001
<b>Appendices/Enclosures:</b>	<b>Appendix A</b> – Tariff Formula. <b>Appendix B</b> – Hackney Carriage Fares 2011/2012 comparative Models <b>Appendix C</b> – Hampshire Authorities Hackney Carriage fare comparison table.

## **Appendix 4**

### **A MEETING OF THE LICENSING BOARD**

**WAS HELD ON 7 JUNE 2011**

#### ***Subject to approval***

The Mayor (Councillor Carter CR) (ex-officio), Chairman of the Policy and Organisation Board (Councillor Hook) (P), Councillors Allen (P), Beavis (P), Bradley (P), Carter CK (P), Mrs Cully, Edwards, Foster-Reed (P), Jacobs (P), Murphy (P), Scard (P) and Miss West (P) .

It was reported that in accordance with Standing Orders, Councillors Hook and Mrs Searle had been nominated to replace Councillor Edwards and Mrs Cully respectively, for this meeting.

#### **7. APOLOGIES**

Apologies for inability to attend the meeting were submitted on behalf of the Mayor, Councillors Edwards and Mrs Cully.

#### **8. DECLARATIONS OF INTEREST**

Councillor Bradley declared a Personal and Prejudicial interest in item 9 application for Private Hire Drivers Licence and item 10 application for Hackney Carriage Drivers Licence.

#### **9. MINUTES**

RESOLVED: That the Minutes of the meetings of the Licensing Board held on 5 April 2011 and 19 May 2011 be approved and signed by the Chairman as true and correct records.

#### **10. DEPUTATIONS**

Deputations had been received on item number 6 - Review of Hackney Carriage Fare Tariff.

#### **11. PUBLIC QUESTIONS**

There were no public questions.

#### **12. REVIEW OF HACKNEY CARRIAGE FARE TARIFF**

Consideration was given to a report of the Housing Services Manager requesting consideration of an increase in the maximum level of Hackney Carriage fares chargeable and to consider which formula and tariff model should be implemented from 1 August 2011.

The Senior Licensing Officer advised that all 68 Hackney Carriage Plate

## **Appendix 4 cont...**

holders had been written to, seeking their opinions on the three models presented. The Board were advised that 22 replies had been received, 11 were in favour of proposed model 3, 6 in favour of proposed model 2 and 5 in favour of proposed model 1.

The Chairman clarified that if the Board were minded not to approve an increase, that any increase in running costs this year could not be included in any proposed increase in subsequent years.

Mr Cox was invited to address the Board. He advised that he had obtained an additional 16 responses from Hackney Carriage plate holders, all of which supported model 3.

The Senior Licensing Officer confirmed that the responses were from current plate holders and all supported model 3.

Mr Cox advised the Board that he acknowledged that there were differing views as to which model was acceptable. He advised that as the owner of Hardway Cabs, he would welcome model 3, as in the current economic climate it would have least impact on customers.

Mr Cox stated that it was already difficult to compete with the cheaper private hire fares and that often, on seeing the pull off fare of a Hackney Carriage, customers would exit the taxi and arrange for a private hire firm to collect them instead. He was concerned that an increase of over 4% would result in a greater loss of business for Hackney Carriage Drivers.

In answer to a Member's question Mr Cox advised that he did not anticipate a decrease in the level of customer service provided, as this would be detrimental to the taxi company.

He also advised that he did not anticipate any reduction in maintenance of vehicles as they would still be subject to existing checks already in place. He felt that plate holders would suffer a greater drop in revenue should the tariff be increased.

In answer to a further Member's question, Mr Cox advised that to reduce running costs, Hackney Carriage Drivers could alter their working hours. He also advised that, with regard to increasing fuel prices, Private Hire Cars were charging approximately 20% less for fares and were still able to operate, even with the increase in fuel prices.

Mr Cox concluded that he felt that as model 3 would only equate to a 10p increase on a fare of £7 it presented best value to customers.

Mr Elsey was invited to address the Board. He advised that he too supported the adoption of model 3. He reiterated Mr Cox's concern that trade was being lost to Private Hire firms with cheaper fares.

## **Appendix 4 cont...**

Mr Dampier was invited to address the Board. He advised that he had been a Hackney Carriage operator for 44 years and that it was his only source of income. He commented that the cost of motoring was increasing and that he was struggling to cover the cost of running his taxi some weeks.

Mr Dampier stated that customers requiring transport to HMS Collingwood had remarked that Gosport tariffs were significantly cheaper than the rates charged by Fareham and felt that there should be some degree of correlation between neighbouring boroughs.

Mr Dampier advised that Private Hire fares were not always cheaper and that they would often begin a passenger's fare from their departure from the office, something that Hackney Carriages could not do if assigned a pick up.

A Member queried that, in relation to Mr Dampier's comments that the Fareham Borough taxi tariff was more expensive, the report of the Housing Services Manager showed that the Fareham Tariff was similar to that proposed in model 3.

Members recognised that there were differing opinions as to which tariff should be approved, it was recognised that only just over 50% of Hackney Carriage Plate holders had replied to the consultation and that 27 of the 38 replies favoured the adoption of model 3.

Members accepted that in these difficult financial times, it was in the interest of the taxi operator to find ways of reducing overheads and minimise any increase to customers and unanimously agreed that the adoption of model 3 was best placed to do this.

**RESOLVED:** That an increase in the maximum level of Hackney Carriage fares chargeable be approved and that tariff model 3, as shown in Appendix B of the report, be implemented, subject to public consultation, from 1 August 2011.

## Agenda item no. 8

<b>Board</b>	<b>Council</b>
<b>Date of meeting:</b>	<b>20 July 2011</b>
<b>Title:</b>	<b>Amended Financial Procedure Rules</b>
<b>Author:</b>	<b>Deputy Section 151 Officer</b>
<b>Status:</b>	<b>For Decision</b>

### **Purpose**

To update the Council's Financial Procedure Rules (formerly known as Financial Regulations), previous version dated April 2006, in line with updated legislation, codes of practices, a revised democratic process, Council restructure and reducing bureaucracy to improve and streamline decision making.

### **Recommendation**

Council approves the Financial Procedure Rules set out at Appendix 1 and as part of the Council's Constitution (Part 4 – Schedule 16).

#### **1. Background**

- 1.1** The Council, to conduct its business effectively need to ensure that it has sound financial management policies in place and they are strictly adhered to. Part of this process is the establishment of Financial Procedure Rules that set out the financial policies of the Council. The Council is committed to innovation within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- 1.2** Standards and Governance Committee at its meeting on 23 June 2011 approved amended financial procedure rules, minor amendments have been made to those approved at that meeting.

#### **2. Report**

- 2.1** The significant amendments to the previous version of the Regulations, now known as Financial Procedure Rules are:
  - The abolition of Sub Boards;
  - Increasing the financial limits in both revenue and capital for virements to £20k (previously £10k) [A.12 & A.14] and the upper limit to £50k (previously £25k) [A.13 & A.15]

- Increasing the levels (increased to £20k for revenue, to £100k for capital and a 10% margin limit) of supplementary estimates that require approval by the Policy & Organisation Board [A.17 & A.18];
- Updated contacts for External Audit (included in footnote);
- Increasing the debt write off limit to up to £20k (previously £10k) [D.26 a] for Service Unit Managers and Borough Treasurer and in excess of £20k (previously £10k) for the Policy & Organisation Board approval following a report from the Borough Treasurer [D.26 b];

A number of amendments to job titles have been incorporated and other minor changes have been included to refresh the updated procedures.

### **3. Risk assessment**

- 3.1 The Financial Procedure Rules provide clarity about financial accountabilities for all Members, Officers and other stakeholders. The Rules are part of the overall financial framework of the Council which also includes other internal financial regulatory documents forming sound governance arrangements.

### **4. Conclusion**

- 4.1 The updated Financial Procedure Rules is just one area under review as part of the Council's corporate governance arrangements.

Financial Services comments:	See SIP implications below.
Legal Services comments:	None for the purposes of this Report
Service Improvement Plan implications:	The Financial Procedure Rules will be kept under review on a two year cycle within the Financial Services Unit
Corporate Plan:	The updated Financial Procedure Rules will support the Council's pursuit of excellence.
Risk Assessment:	Refer to paragraph no 3 in body of report
Background papers:	Report to Standards and Governance Committee 23 June 2011
Appendices/Enclosures: Appendix 1	Financial Procedure Rules
Report author/Lead Officer:	Chris Davis (02392 545306) & Peter Wilson (02392 545300)

## **FINANCIAL PROCEDURE RULES FOR GOSPORT BOROUGH COUNCIL**

- 1. Introduction**
- 2. A: Financial Management**
  - B: Financial Planning**
  - C: Risk Management And Control Of Resources**
  - D: Systems And Procedures**
  - E: External Arrangements**



## **1 INTRODUCTION**

- 1.1 Financial Procedure Rules (previously known as Financial Regulations) provide the framework for good governance in the management of the Council's financial affairs. They apply to every Board, Committee, member and officer of the Council and anyone acting on its behalf.
- 1.2 It is the responsibility of all Members and officers to comply with the Council's Financial Procedure Rules.
- 1.3 The provisions of these Procedure Rules shall not prevent the Chief Executive or Service Unit Manager from incurring expenditure which is essential to meet immediate needs created by a sudden emergency or which is referred to in Section 138 of the Local Government Act 1972. However, prior to any financial commitment being made the appropriate Service Unit Manager shall consult, wherever possible, the Chief Executive and the Borough Treasurer. In addition, the matter shall also be reported, as soon as practicable, to the appropriate Board.
- 1.4 Section 151 of the Local Government Act 1972 requires every local authority "to make arrangement for the proper administration of their financial affairs and secure that one of their Officers has responsibility for the administration of those affairs" The Council has appointed the Deputy Chief Executive & Borough Treasurer as the Section 151 Officer and the Financial Services Manager as the designated deputy.

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**SECTION A: FINANCIAL MANAGEMENT****INTRODUCTION**

- A.1 Financial management covers all financial matters in relation to the running of the Council.

**THE FULL COUNCIL**

- A.2 The Full Council is responsible for approving procedures and for recording and reporting decisions taken. The Terms of Reference and the delegations to Boards, Scrutiny Committee, Standards & Governance Committee and delegation to officers are set out in the Constitution ([GBC Constitution](#)).
- A.3 Within these procedure rules, the Policy & Organisation Board shall be construed to be the Proper Board to which matters shall be referred, unless otherwise stated.

**COUNCIL MANAGEMENT TEAM****Section 151 Officer**

- A.4 The Council has appointed the Section 151 Officer statutory duties in relation to the financial administration and stewardship of the Council (in the absence of the Section 151 Officer, the Financial Services Manager or Head of Accountancy shall exercise these functions as deputy). This statutory responsibility cannot be overridden.
- A.5 The Section 151 Officer is responsible for:
- the proper administration of the Council's financial affairs
  - setting and monitoring compliance with accounting and financial management procedures and standards including International Financial Reporting Standards (IFRS)
  - maintaining an effective and adequate internal audit and all audit arrangements
  - advising on the Council's finances
  - providing financial information
  - preparing and controlling forward financial plans, budget strategies, the revenue budget, the capital strategy and capital programme
  - treasury management and banking arrangements
  - All financial staff as Head of Profession
  - schemes of financial delegation
  - financial and related IT systems
  - procedures and controls for ordering services, supplies and works
  - payment of accounts and collection of income.

A.6 Section 114 of the Local Government Finance Act 1988 (the Act) requires the Section 151 Officer to report to the Council and external auditor if the Council or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has or would result in a loss or deficiency to Gosport Borough Council
- is about to make an unlawful entry in Gosport Borough Council's accounts.

A.7 Section 114 of the Act also requires:

- the Section 151 Officer to nominate a properly qualified member of staff to deputise should he be unable to perform the duties under section 114.
- that the Council provides the Section 151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

### **Other Chief Officers**

A.8 These officers are responsible for:

- ensuring that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Section 151 Officer or his deputy.
- operating financial processes within their Units. To do this they must ensure that adequate operational controls are in place.
- controlling expenditure and income, monitoring performance and taking the necessary action to remain within budgets and cash limits.

A.9 It is the responsibility of Service Unit Managers to consult with the Section 151 Officer and seek approval regarding any matters that are liable to significantly affect the Council's finances, before any commitments are incurred.

### **Virement <sup>1</sup>**

#### **Revenue**

A.10 The Full Council is responsible for agreeing procedures for virement of expenditure between budget headings.

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<sup>1</sup> A Virement is an approved transfer of a budgetary sum of money between budget headings (a budget heading being a budget line in the budget book).

- A.11 The virement regulations below are aimed at providing the flexibility for Service Unit Managers to ensure that approved budgets are not exceeded while at the same time allowing for the delivery of services in line with the Council's policies and plans.
- A.12 Virements less than £20,000 can be approved by the Service Unit Manager after agreement with the Section 151 Officer and the Chief Executive. Over £20,000 requires the further approval of the appropriate Board(s).
- A.13 Virements between Boards of more than £50,000 require approval from the Section 151 Officer, Chief Executive and the appropriate Board(s). They must also be approved by the Policy & Organisation Board.

### **Capital**

- A.14 Virements of less than £20,000 between approved schemes can be approved by the Service Unit Manager after agreement with the Section 151 Officer and Chief Executive. Applications for virements of more than £20,000 between approved schemes must be made to the appropriate Board by the Service Unit Manager for approval.
- A.15 Virements between Boards of more than £50,000 require approval from the Section 151 Officer, Chief Executive and the appropriate Board(s). They must also be approved by the Policy & Organisation Board.

### **Supplementary Estimates<sup>2</sup>**

- A.16 Supplementary estimates are a last resort and will only exceptionally be approved by both the Section 151 Officer and Chief Executive. They must also be approved by the Policy & Organisation Board.

### **Revenue**

- A.17 Where expenditure budget provisions are estimated to be exceeded or an income budget provision not achieved by more than £20,000, and a virement is not possible, then the Service Unit Manager responsible for the budget, following consultation with the Section 151 Officer, should apply to the appropriate Board for a supplementary estimate for the estimated overspend or shortfall of income. Board recommendations shall be referred to the next available meeting of the Policy & Organisation Board.

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<sup>2</sup> A supplementary estimate is an additional budgetary sum of money – generally from the Council's reserves.

## **Capital**

- A.18 If the estimated cost of a scheme or project included in the Capital Estimates is likely to exceed the approved expenditure by more than 10% or £100,000 whichever is the lesser (subject to a minimum of £20,000), and a virement is not possible, the Service Unit Manager responsible for controlling the expenditure on that scheme or project, following consultation with the Financial Services Manager, shall apply to the appropriate Board for a supplementary estimate for the amount of the estimated overspending. Board recommendations for any excess expenditure arising from other variations or changes to a scheme shall require the approval of the next available meeting of the Policy & Organisation Board.

## **Treatment of year-end balances**

- A.19 The treatment of year-end balances resulting from under and overspendings on budget headings shall be approved by the Policy and Organisation Board as part of the final accounts process.
- A.20 Revenue budget carry forwards will generally not be permitted.
- A.21 Capital programme slippage will be reported to Policy & Organisation Board as part of the final accounts process.

## **Accounting policies**

- A.22 The Section 151 Officer is responsible for determining accounting policies and financial systems and ensuring that they are applied consistently.

## **Accounting records and returns**

- A.23 The Section 151 Officer is responsible for determining the accounting procedures and records for the Borough Council.

## **Journals**

- A.24 All individual journals over £50,000 are subject to monthly review by senior accounts staff and a further check of the monthly files are subject to review by the Section 151 Officer or his deputy.

## **The annual statement of accounts**

- A.25 The Financial Services Manager is responsible for ensuring that the annual statement of accounts is prepared in accordance with statutory timescales and the applicable Codes and reporting financial standards. Standards and Governance Committee is responsible for approving the annual governance statement and reviewing external auditor's comments. Policy & Organisation Board is responsible for approving the Council's Statement of Accounts.

## **SECTION B: FINANCIAL PLANNING**

### **BUDGETING**

#### **Budget format**

- B.1 The general format of the budget will be approved by the Council on the advice of the Section 151 Officer. The draft budget should include allocations to different services and projects, potential taxation levels and will be prepared with due regard to the Medium Term Financial Strategy and annual Budget Strategy.

#### **Budget preparation**

- B.2 The Section 151 Officer shall prepare and present the annual estimates of revenue income and expenditure to the Council's Boards with due regard to the relevant codes of practice.

#### **Policy and Organisation Board**

- B.3 The Policy and Organisation Board shall oversee the budget policy and strategy, Medium Term Financial Strategy and Budget and shall recommend to Council detailed estimates for approval. The Council shall determine the level of Council Tax for each property Band to be levied in the next financial year, by no later than 11<sup>th</sup> March in each year.

#### **Budget monitoring**

- B.4 Service Unit Managers are responsible for ensuring that expenditure and income budgets assigned to their staff are monitored and controlled against the Council's approved budget.
- B.5 The Financial Services Unit is responsible for providing other Service Unit Managers with financial information in order to enable them to monitor the performance of the operations and services under their control.
- B.6 Accountants are to attend Section meetings to provide input on the budget situation and resolve any budgetary queries.
- B.7 The Section 151 Officer shall submit regular budget monitoring reports to the Council Management Team and Council Members identifying changes in trends and resource requirements.
- B.8 All Service Unit Managers should ensure that arrangements are in place for their staff to record time spent on appropriate projects and services.

**Preparation of the capital programme**

- B.9 Capital Programmes shall initially be prepared by the Section 151 Officer in conjunction with Service Unit Managers to reflect either approved or intended Council projects and the likely availability of resources.
- B.10 On an annual basis Boards will consider and report their forward capital programmes to the Policy and Organisation Board. Any changes to these programmes will be considered by Boards and referred to the Policy and Organisation Board for approval. The Policy and Organisation Board shall recommend to the Council the total programme for approval for the ensuing financial year, after taking into account both capital and revenue resource implications.

## **SECTION C: RISK MANAGEMENT AND CONTROL OF RESOURCES**

### **INTRODUCTION**

- C.1 Robust, integrated systems should be developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

### **RISK MANAGEMENT**

- C.2 The Standards & Governance Committee is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. In addition, the Council is responsible for ensuring that appropriate reserves and insurances are maintained.
- C.3 The Head of Internal Audit & Risk Assurance is responsible for co-ordinating the Council's risk management policy statement and for promoting it throughout the Council.

### **INSURANCE**

- C.4 The Section 151 Officer shall ensure that, after discussion with the relevant Service Unit Manager, the Council has appropriate insurance cover at all times.

#### **Insurable Items and Interests**

- C.5 Service Unit Managers shall notify the Financial Services Unit promptly of all liabilities, risks, properties, assets and rights that could be insured and of any alterations that should be made to existing cover.
- C.6 Service Unit Manager shall promptly notify the Financial Services Unit of every loss, liability or damage sustained, or event likely to lead to a claim, which is or may be covered by insurance. Where appropriate, e.g. suspected arson, the Service Unit Manager shall also inform the Police.

### **INTERNAL CONTROL**

- C.7 Internal control refers to the systems of control put in place to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- C.8 The Section 151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations and other relevant statements of best practice. They should ensure that all funds are properly



safeguarded and used economically, efficiently and in accordance with the statutory and other authorities that govern their use.

- C.9 It is the responsibility of Service Unit Managers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

## **AUDIT REQUIREMENTS**

- C.10 The Accounts and Audit Regulations 1996 require every Council to maintain an adequate and effective internal audit.
- C.11 The Audit Commission is responsible for appointing external auditors to each Council. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982.
- C.12 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue & Customs, who have statutory rights of access.

## **INTERNAL AUDIT**

- C.13 The Section 151 Officer shall be responsible for maintaining a continuous and independent internal audit appraisal of the Council's internal control systems, as a service to the organisation. The Internal Audit Section shall objectively examine, evaluate and report on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

## **REPORTING LINES**

- C.14 The Head of Internal Audit & Risk Assurance shall report at least quarterly to the Standards and Governance Committee on the activities of Internal Audit.

## **AUDIT AUTHORITY**

- C.15 The Section 151 Officer and Head of Internal Audit & Risk Assurance or authorised representative has authority to:
- (a) enter, at all reasonable times, any premises or land owned, leased or controlled by the Council
  - (b) inspect and examine all records, accounts, leases, agreements, contracts, vouchers, correspondence and other documents of the Council

- (c) require and receive explanations on any matter under examination, either verbally or in writing
- (d) require any employee to produce and account for cash, stores, or other Council property under their control.

### **EXTERNAL AUDIT<sup>3</sup>**

C.16 The basic duties of the External Audit are defined in the Audit Commission Act 1998 and the Local Government Act 1999.

C.17 Their duties are to review and report upon:

- All financial aspects of the Council's corporate governance arrangements.
- the Council's financial statements and incorporating results within the "Annual Governance Report".
- the External Auditors are to be given access, at all reasonable times, to premises, personnel, documents and assets as required
- VFM Conclusion (The External auditor's conclusion on whether the audited body has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of money, people and time.).
- to present to the Council their "Annual Audit Letter".

### **PREVENTING FRAUD AND CORRUPTION**

C.18 The Section 151 Officer is responsible for the development and compliance of an anti-fraud and corruption policy.

#### **Potential fraud and corruption<sup>4</sup>**

C.19 Where there is a suspicion of irregularity in the administration of the financial affairs of the Council, it is the duty of all individuals to report the matter to the Head of Internal Audit & Risk Assurance.

C.20 Where, upon investigation, reasonable grounds appear to exist for suspecting that a loss may have occurred as a result of misappropriation, irregular expenditure or fraud, the Head of Internal Audit & Risk Assurance shall decide, in consultation with the Chief Executive and Section 151 Officer, whether the circumstances require further investigation by the Police and take appropriate action. The

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<sup>3</sup> The Audit Commission are currently the Council's External Auditors. They can be contacted on 0844 798 4640.

<sup>4</sup> 24 hour Fraud Hotline 02392 545308.

Chief Executive, Section 151 Officer and Monitoring Officer shall be consulted prior to referring any matter to the Police.

- C.21 Where, upon investigation, the Head of Internal Audit & Risk Assurance believes that a loss may have occurred as the result of waste, extravagance or maladministration, a report on the matter shall be submitted to the relevant Service Unit Manager, Section 151 Officer, Chief Executive and Monitoring Officer.

## **ASSETS**

- C.22 Service Unit Managers should ensure that records and assets are properly maintained (inventory) and securely held. They should also ensure that contingency plans are in place for the continuity of service and the security of assets in the event of disaster or system failure.

## **LAND (inc. leases etc.)**

### **Terrier**

- C.23 A terrier of all land owned by the Council shall be maintained by the Head of Legal Services.

## **Sale and Purchase of Land**

- C.24 Unless covered under the Scheme of Delegation to Officers or falling within the terms of reference of a Board, land shall not be sold, purchased or leased except as authorised by the Economic Development Board. The Board must be presented with a report prepared by the relevant Service Unit Manager in consultation with the Borough Solicitor, Financial Services Manager and the Head of Property Services containing a detailed evaluation (including a reason for the proposal, the overall implications of the proposal, a valuation and risk assessment) of the consequences and implications of such sale or purchase.

## **TREASURY MANAGEMENT**

- C.25 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C.26 The Council is responsible for approving the Treasury Management policy statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to the Full Council. The Section 151 Officer has responsibility for implementing and monitoring this statement.

- C.27 The Section 151 Officer is responsible for ensuring an appropriate Treasury Management Strategy is adopted by Council at or before the start of each financial year.

### **Borrowing**

- C.28 The Section 151 Officer has authority to arrange the borrowings necessary to finance the Council's Capital Programme, to defray payments to be met from revenue funds pending the receipt of sums due in respect of the same period, or to replace debts repaid as prescribed in the Council's Scheme of Delegation to Officers.

### **Lending**

- C.29 The Section 151 Officer has authority to invest or deposit any temporary surplus funds on the Wholesale Money Market. Such funds will only be placed with those institutions that meet the criteria approved by the Council.
- C.30 The Section 151 Officer is responsible for reporting annually to Full Council on the activities of the Treasury Management operation.

### **BANKING**

- C.31 The opening of any Council bank account must be authorised by the Section 151 Officer or his deputy.
- C.32 Direct debit instructions (DDI's) for payment of invoice(s) must be signed by an authorised Officer under the agreed Council's Bank Mandate. Further information regarding the signatories may be obtained from the Head of Accountancy.
- C.33 Arrangements and terms for banking shall be in accordance with a contract that shall from time to time be subject to competitive tender.
- C.34 All forms of cheque and cheque stationery shall be ordered, issued and controlled by the Financial Services Manager.
- C.35 Cheques for less than £20,000 shall bear the lithographic signature of the Section 151 Officer. Cheques equal to or greater than £20,000 should be signed by an authorised signatory under the Council's Bank Mandate. In exceptional circumstances manual cheques can be produced which are signed manually by an authorised signatory.
- C.36 All payments sent electronically must be authorised by a designated Officer. Those greater than £20,000 (individual payment) should also be counter authorised by an authorised signatory.

**STAFFING**

- C.37 Service Unit Managers shall exercise control over their staffing establishments within the approved annual staffing budgets.
- C.38 Where a Service Unit Manager wishes to make changes the cost should be absorbed in the current year and future years' budgets.
- C.39 Vacancies shall only be filled where they are essential to the services the Council provides and are subject to the approval of the Chief Executive, in consultation with the appropriate Board Chairman.

## **SECTION D: SYSTEMS AND PROCEDURES**

### **INTRODUCTION**

- D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

### **GENERAL**

- D.2 The Financial Services Unit is to advise on and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.
- D.3 The Financial Services Unit shall be responsible for advising on the financial administration and accounting procedures and for the maintenance of all accounting records. Where records are maintained by service units the appropriate Manager shall have a duty to maintain a clear audit/management trail to support their management control responsibilities.
- D.4 Service Unit Managers shall obtain the Head of Accountancy's approval before introducing any books, forms or procedures or other records that relate to or may affect the Council's finances.
- D.5 Service Unit Managers, in consultation with the Section 151 Officer, shall submit to the Head of Accountancy such information as the latter deems necessary for accounting and costing purposes and shall afford access at all reasonable times to all accounting records and documents which relate to or may affect the Council's finances.
- D.6 Service Unit Managers shall ensure that as far as is practicable, the duties of staff concerned with financial systems and transactions are trained and they maintain an up to date procedural manual of fundamental financial systems.

## **COUNCIL TAX AND NATIONAL NON-DOMESTIC RATES**

### **Register**

- D.7 The Financial Services Manager shall compile and maintain up-to-date records of all relevant properties and businesses.

### **Billing**

- D.8 The Financial Services Manager shall send appropriate bills promptly to those liable for Council Tax or National Non-Domestic Rates.

**Collection and Recovery**

- D.9 The Financial Services Manager shall take all action necessary, in accordance with Council policy, to secure the prompt collection and recovery of amounts due.

**INCOME****Collection**

- D.10 The collection of all money due to the Council shall be under the control of the Section 151 Officer and each Manager shall provide such information as may be required to record correctly and recover promptly all sums due. The use of electronic collection (direct debit) must be encouraged to all customers, where available.
- D.11 There is a statutory requirement for the Council to be aware of its cash income and to protect against the risk of becoming involved in money laundering. In order to assist with this requirement a limit on single cash transactions has been set at £5,000. All single cash transactions of this amount or greater must be reported to the Head of Internal Audit & Risk Assurance immediately.

**Stationery**

- D.12 All receipt forms, books, tickets and other documents of a financial nature by which income is demanded or receipted, shall be ordered, controlled and supplied to Service Units by the Pay and Central Services Section, except where otherwise specifically approved by the Financial Services Manager. Service Unit Managers shall be responsible for the safe custody of such documents within their service units and for maintaining control over their use in accordance with arrangements approved by the Head of Internal Audit & Risk Assurance.

**Receipting**

- D.13 Every Service Unit Manager whose unit receives money on behalf of the Council shall comply with arrangements approved by the Head of Internal Audit & Risk Assurance and Head of Accountancy concerning its acknowledgement and recording. This includes the issue of formal instructions to staff. Service Unit Managers shall also be responsible for the safe custody of the money and shall, promptly deposit it with the Cash Office. Payment counterfoils shall be stamped, dated and signed by the Cashier, save where an approved machine receipting system is in use. No Officer shall give a receipt for money received on behalf of the Council on any form other than an official receipt form. All monies received should be banked or paid into the cashiers promptly and within 1 working day.

- D.14 All cheques, money orders, postal orders and payment warrants received shall be immediately crossed with the name of "Gosport Borough Council".
- D.15 All cheque (due to the abolition of the cheque guarantee service) payments require clearance approval from Accountancy prior to a Council service being commissioned.
- D.16 Money received shall not be used to cash personal or other cheques but shall be deposited intact.

**Paying-in**

- D.17 Every Officer who pays money into the cash office or any other authorised cash collection point shall enter on the paying-in slip and on the counterfoil or duplicate particulars of such payment, including the receipt number(s) to which the payment(s) relates. In addition, for each cheque, the amount and the receipt number to which it relates shall be entered separately. If a cheque is received in full or partial discharge of a debt, the counterfoil should be marked as such.
- D.18 The Section 151 Officer shall be notified of all money due to the Council under contracts, leases, tenancies and other agreements that have been entered into on the Council's behalf as soon as possible and shall have access to the original documents and relevant particulars and information.

**Sundry Debtors**

- D.19 Sundry debtors invoices will only be raised in response to a documented request in a format approved by the Head of Accountancy.
- D.20 A sundry debtor invoice request form must be completed within 14 days of the date of supply or from when the debt was incurred.
- D.21 Care must be taken to ensure that the debtors' details, including full name, address and postcode, are entered correctly, and that the correct accounting and VAT codes are used.
- D.22 Wherever possible, a formal legal agreement for the debt should be established which must be provided in the event of recovery action being necessary.
- D.23 Wherever possible, efforts should be made to avoid raising small value invoices by encouraging the customer to pay in advance.



**Bad Debts**

- D.24 Service Unit Managers shall refer to the Borough Solicitor all debts (other than Housing Rents and Local Taxation) which they are unable to recover following the recognised arrears process.
- D.25 Service Unit Managers shall also inform the Financial Services Unit of any sums that have been referred to the Borough Solicitor.
- D.26 The Borough Solicitor shall take all reasonable steps to recover such debts that are not considered as irrecoverable.
- D.27 No sum of money due to the Council, after it has been correctly determined, shall be discharged otherwise than by payment in full or by writing off the debt or the unpaid portion of it on the authority of:
- a) both the appropriate Service Unit Manager and the Section 151 Officer, up to £20,000
  - b) by the Policy and Organisation Board in excess of £20,000, following a report by the Section 151 Officer confirming that the debt is not recoverable at reasonable effort and expense.
- D.28 An annual summary of all debt write-offs shall be notified to members of the Policy and Organisation Board by the Section 151 Officer.

**Scales of Fees and Charges**

- D.29 Fees and Charges shall be reviewed as part of the Council's annual budget process and amendments reported to the Policy & Organisation Board.
- D.30 The recommendation of the Board on the amendment of the Scales of Fees and Charges shall be reported to the next available Full Council.

**PURCHASE ORDERS**

- D.31 Paragraphs D33, D34 and D36 in this section do not apply to Housing (tenants requested repairs).

**Ordering goods and services**

- D.32 A requisition shall be raised for all purchases.
- D.33 All requisitions shall be approved by the appropriate Senior Officer.
- D.34 Request for a quote form shall be used for all non catalogue goods and will be sourced by Central Purchasing.
- D.35 Official orders for all purchases, other than petty cash, shall only be placed in accordance with systems approved by the Head of Pay &

Central Services, Head of Accountancy and the Head of Internal Audit and Risk Assurance.

- D.36 Orders for goods, works or services, other than recurring services eg.- public utility supplies etc. shall be on an official order form.
- D.37 Each order shall specify and describe adequately the nature and quantity of the goods, works, services etc., required and any agreed prices. In addition, all incentives or inducements on ordering goods must be registered and reported prior to authorisation and recorded on the order.
- D.38 Any changes to the terms of the order as issued originally shall be approved by the relevant Service Unit Manager.
- D.39 No order shall be placed which will commit the Council to expenditure unless authority exists to incur such expenditure.
- D.40 Official orders may not be used for the procurement of goods, materials or services for the personal use of an employee, except for the purchase of personal protective equipment.

## **EXPENDITURE**

- D.41 In order to comply with the Late Payment of Commercial Debts (Interest) Act 1998 the Financial Services Manager shall ensure that payment of all sums due from the Council is made promptly. Service Unit Managers shall be responsible for ensuring that all invoices and other accounts are sent for payment without delay, particularly where a discount is available. All procurement cards held within the Council must follow the same principles as set out in this section. In addition, these cards must be kept secure at all times.
- D.42 Prior to an invoice being authorised for payment, Service Unit Managers shall ensure that responsible officers under their control are satisfied that:
  - (a) invoices are date stamped on receipt
  - (b) the terms of the order have been complied with
  - (c) prices are in accordance with any quotation given or are otherwise reasonable
  - (d) the amount of the invoice is arithmetically correct
  - (e) all discounts have been taken
  - (f) appropriate entries have been made in stores records/inventories/copy orders etc

- (g) the amount of the expenditure is provided for in the approved budgets and that the grid stamp is fully completed including the expenditure code and certification. As a minimum the checked by, certified for payment, creditor number and expenditure code boxes must be completed on the grid stamp.
- (h) the invoice has not been authorised previously for payment
- (i) the account is not a photocopy or statement or Facsimile (unless approved by the Head of Accountancy)
- (j) a pro-forma voucher is not being used as a substitute for an invoice
- (k) Value Added Tax has been correctly identified, checked and coded on official tax invoices
- (l) if an invoice is disputed, delayed or paid on a copy the details of this must be noted on the invoice.

D.43 Invoices must be authorised for payment without delay to comply with both payment terms and the Council's Local Performance Indicator which requires payment within 30 days.

### **Invoice Certification**

**D.44** Invoices for payment shall be independently initialled as checked. The form and content of the certification for payment shall be that required by the Financial Services Unit. Nominated certifying officers shall be required to provide the Head of Accountancy with specimen signatures and initials, together with an expenditure limit annually (as agreed by Council Management Team). Officers shall not certify any voucher payable to themselves, family relatives or organisation/club in which they have an interest. Separate officers shall carry out responsibilities for verifying receipt of goods, checking invoices and certification for payment.

### **Urgent Payments**

D.45 Urgent payments are costly to process, so Units should keep requests for such payments to a minimum and only in cases where there is a genuine need. The use of electronic payment must be encouraged to all suppliers, where available, at all times (direct credit).

### **Payment of Salaries, Wages and Allowances**

D.46 The payment of all salaries, wages and other allowances shall be under the control of the Section 151 Officer.

**Changes**

- D.47 Service Unit Managers shall immediately notify the Head of Pay & Central Services, the Head of Personnel and the Chief Executive of all matters affecting staffing establishments and the payment of employees' remuneration and allowances, in particular:
- (a) appointments, resignations, dismissals, suspensions, secondment and transfer
  - (b) absences from duty for sickness or other reasons, apart from approved leave
  - (c) changes in remuneration, other than normal increments, pay awards and agreements of general or national application
  - (d) information necessary to maintain records of service for superannuation, income tax, national insurance and items of a similar nature
  - (e) significant changes in duties and responsibilities.
- D.48 All notifications must be signed or approved by the appropriate Service Unit Manager.

**Time Sheets**

- D.49 Service Unit Managers shall ensure that any required time sheets for staff under their control are properly completed and are examined and independently certified by a responsible officer.

**Payroll Information**

- D.50 Service Unit Managers shall make available to the Head of Pay & Central Services all information necessary for the prompt and accurate preparation of payrolls. The arrangements shall include an approved form of time and pay records and such records may only be authorised by approved certifying officers as agreed with the Head of Pay & Central Services.

**Allowances**

- D.51 All claims by Members and Officers for payment of car allowances, subsistence allowances, travelling and other expenses shall be submitted, duly certified, in accordance with the procedure approved by the Section 151 Officer. Such claims may be authorised only by an approved certifying officer. Certifying officers may not certify their own claims. Claims submitted more than three months after the expenses were incurred will only be paid with the express approval of the Section 151 Officer, after consultation with the appropriate Service Unit Manager.

- D.52 A certification by or on behalf of a Service Unit Manager shall be taken to mean that the certifying officer is satisfied that the journeys were for official business and that the most cost effective option was used, the expenses were properly and necessarily incurred and that the allowances are properly payable by the Council.
- D.53 Officers in receipt of car allowances shall maintain a log of all mileage in respect of official business.

## **TAXATION**

- D.54 The Council is responsible for ensuring its tax affairs are in order. Service Unit Managers are to be provided with relevant information and kept up to date with tax issues and required record keeping. This will ensure that all taxable transactions are identified, properly carried out and accounted for within stipulated timescales.

## **SECURITY**

- D.55 Each Service Unit Manager is responsible for maintaining proper security of all information, buildings, stocks, stores, furniture, equipment, documents, financial records, cash etc., under their control (including such information held on computer which shall be in accordance with the principles of the Data Protection Act 1998). The Head of Internal Audit & Risk Assurance shall be consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed (e.g. intruder alarms).

## **Cash holding limits**

- D.56 Every effort should be made to bank monies within one working day. In those units that have access to a safe a maximum limit for cash holdings must be agreed with both the Financial Services Unit (for insurance purposes) and the Head of Internal Audit & Risk Assurance.

## **Safe keys**

- D.57 Keys to safes, key safe boxes (where used) and similar receptacles shall be issued to named individuals who shall be held responsible for their safe custody; the loss of any such keys must be immediately reported to the Head of Internal Audit & Risk Assurance.

## **Town Hall**

- D.58 Service Unit Managers shall refer any relevant matters to the Chief Executive or to the Manager who has responsibility for the overall security of the Town Hall.

## **ASSET REGISTERS**

### **Preparation and maintenance**

D.59 The Financial Services Manager shall be responsible for preparing and maintaining an asset register which shall record all Council owned land, buildings and assets initially costing (or currently valued at) greater than £10,000. This will include maintaining inventories and recording an adequate description of furniture, fittings, equipment, plant and machinery. Inventions, writing and software (including in-house developed spreadsheets) will give rise to Intellectual Property and various Acts of Parliament will cover different types of intellectual property. Service Unit Managers shall provide, on a regular basis, such information as is required by the Head of Accountancy for the maintenance of the asset register.

### **Verification**

D.60 At least once a year the Section 151 Officer will require other Service Unit Managers to arrange for their portion of the register to be checked against the physical assets. The Head of Accountancy shall be advised of surpluses or deficiencies requiring amendment of the asset register.

### **Disposal**

D.61 The disposal of any items considered to be obsolete or surplus to requirements shall be in accordance with the Council's Scheme of Delegation to Officers.

## **STOCKS AND STORES**

### **Custody**

D.62 Service Unit Managers shall be responsible for the custody and control of the stocks and stores in their units.

### **Accounts**

D.63 The stores accounting records maintained by Service Unit Managers shall be approved by the Head of Accountancy and Service Unit Managers shall supply such information as is required for the Council's accounting and financial records.

### **Levels**

D.64 Stocks shall not be in excess of reasonable requirements.

**Valuation**

- D.65 The Head of Accountancy, in conjunction with Service Unit Managers, shall determine the method to be followed in the valuation of stores.

**Stocktaking**

- D.66 Not less frequently than annually, Service Unit Managers shall ensure that a stock take of all stocks and stores in their units is carried out independently of the officers responsible for their custody. Where items are obsolete or surplus to requirements, the Manager shall dispose of them in accordance with the Council's Scheme of Delegation to Officers.
- D.67 The Head of Internal Audit & Risk Assurance may be represented at any stocktaking for the purpose of making test checks and shall be allowed to make test checks at any time.

**Adjustment of stores records**

- D.68 Adjustments of stores records in consequence of discrepancies revealed by stocktaking shall be authorised by the appropriate Service Unit Manager and, if significant, shall be reported to the Head of Accountancy and Head of Internal Audit & Risk Assurance.

**Report to Head of Accountancy**

- D.69 The total value of stores written off in each financial year shall be reported to the Head of Accountancy.

**Stores records**

- D.70 Details of stores received, returned or issued shall be entered promptly in the stores records.

**Stores issues/returns**

- D.71 Stores issue/returns shall be made only against a properly completed official stores issues/returns note.

**Other**

- D.72 A Service Unit Manager may, in consultation with the Head of Accountancy, instruct that the maintenance of records of particular items of stocks and stores are not necessary on economic grounds.

**INFORMATION COMMUNICATION TECHNOLOGY**

- D.73 The acquisition and disposal of ICT equipment (hardware & software) shall be in accordance with the Council's approved IT strategy, which requires, inter alia, a detailed financial appraisal of any significant proposed investment.
- D.74 The development or acquisition of software or systems shall comply with the principles of a recognised project management methodology e.g. PRINCE2. Any deviation from the agreed methodology must be reported to Council Management Team.
- D.75 All system selections must be signed off by the sponsoring Manager and the Head of Information Technology.
- D.76 The use of all ICT systems and equipment shall be in accordance with the standards and policies laid down for security, privacy and acceptable use.
- D.77 The use of ICT systems and equipment shall comply with the Data Protection Act 1998 and other ICT related Law.
- D.78 Only official, licensed versions of authorised software from a known, reliable source shall be used on Council equipment.



**SECTION E: EXTERNAL ARRANGEMENTS****PARTNERSHIPS**

- E.1 The Section 151 Officer shall ensure that accounting arrangements adopted relating to partnerships and joint ventures are satisfactory and that the overall corporate governance arrangements are satisfactory when contracts are arranged with external bodies. Service Unit Managers must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E.2 Service Unit Managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

**EXTERNAL FUNDING**

- E.3 The Section 151 Officer, in conjunction with the relevant Service Unit Manager, is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts.

**WORK FOR THIRD PARTIES**

- E.4 The Section 151 Officer and Borough Solicitor are responsible for approving the contractual framework for any work for third parties or external bodies.

## Agenda item no. 9

<b>Board</b>	<b>Council</b>
<b>Date of meeting:</b>	<b>20 July 2011</b>
<b>Title:</b>	<b>Updated Anti Fraud &amp; Corruption Policy</b>
<b>Author:</b>	<b>Deputy Section 151 Officer</b>
<b>Status:</b>	<b>For Decision</b>

### **Purpose**

To update the Council's Anti Fraud & Corruption Policy (Constitution: Part 5 – Schedule 22), in line with updated legislation (Bribery Act 2010). The Act will come into force on the 1<sup>st</sup> July 2011.

### **Recommendation**

- Council approves the following :-
- Anti Fraud & Corruption Policy set out in Appendix 1;
- Anti Money Laundering Policy set out in Appendix 2;
- Anti Bribery Policy set put in Appendix 3;
- Whistleblowing Policy set out in Appendix 4.

#### **1. Background**

- 1.1** All public and private sector organisations, including Gosport Borough Council, are affected in some way or another by fraudulent or corrupt activities committed either within the organisation or externally. With the imminent enactment of the Bribery Act this was an ideal time to review and update this document.
- 1.2** Standards and Governance Committee at their meeting on 23 June 2011 approved the policies listed above. Since that meeting minor amendments have been made to them.

#### **2. Report**

- 2.1** The Anti Fraud and Corruption Policy states the Council's position with regard to fraud and corruption, building on the content of a number of corporate policy statements incorporated in the Council's Constitution namely:

- Member's Code of Conduct
- Officer's Code of Conduct
- Whistleblowing Policy
- Anti Money Laundering policy (new)
- Anti Bribery Policy (new)
- Financial Procedure Rules
- Contract Procedure Rules

- 2.2** It is imperative that anti fraud and corruption policies reflect the “tone at the top” of an organisation, making clear that fraud and corruption will not be tolerated.
- 2.3** Furthermore, the Council must reduce its exposure to the new legislation under the Bribery Act 2010. The Council must have a procedure in place to prevent acts of bribery. This is covered under the new Anti Bribery Policy.

The Act provides:

- A general offence of bribery, which is defined as giving someone a financial or other advantage to induce them to perform their functions or activities improperly, or to reward them for having already done so;
  - an offence of bribing a foreign public official in order to win business, keep business or gain a business advantage for the organisation;
  - an offence relating to failure by a business to prevent a person associated with it from committing the above offences on its behalf in order to win business, keep business or gain a business advantage for the organisation.
- 2.4** A series of short workshops will be undertaken to ensure that staff, members and where appropriate contractors are aware of the Council's requirements. These new policies will also be included in the Council's Constitution and published on both the Council's intranet and web site.
- 2.5** The Internal Audit Section will be reviewing the Council's exposure to bribery and will also be adding this new legislation to the Council's Strategic Risk Register. It is key that a risk assessment is performed, and proportionate procedures put in place to mitigate these risks.

### **3. Risk assessment**

- 3.1** The updated Anti Fraud and Corruption Policy is a key governance policy that reduces the Council's exposure to both internal and external fraud and corruption.

### **4. Conclusion**

- 4.1** The updated Anti Fraud and Corruption Policy is another area under review as part of the Council's corporate governance arrangements.

Financial Services comments:	None
Legal Services comments:	None for the purposes of this Report
Service Improvement Plan	The Anti Fraud and Corruption Policy will

implications:	be kept under review on a two year cycle within the Internal Audit Section.
Corporate Plan:	The updated Anti Fraud and Corruption Policy will support the Council's pursuit of excellence.
Risk Assessment:	Refer to paragraph no 3 in body of report
Background papers:	Report to Standards and Governance Committee 23 June 2011
Appendices/Enclosures: Appendix 1 Appendix 2 Appendix 3 Appendix 4	Anti Fraud and Corruption Policy Anti Money Laundering Policy Anti Bribery Policy Whistleblowing Policy
Report author/Lead Officer:	Chris Davis (02392 545306)

# **GOSPORT BOROUGH COUNCIL**

## **ANTI – FRAUD & CORRUPTION POLICIES**

**JUNE 2011**

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## 1. INTRODUCTION

- 1.1 Gosport Borough Council aims to set high standards of service provision and care for the community it serves and is committed to upholding the reputation of the Council and maintaining public confidence in its integrity.
- 1.2 In fulfilling its responsibilities to protect the public funds it administers against fraud and corruption both from within the Council and from external sources, the Authority recognises the responsibilities placed upon it by statute and will actively promote an Anti-Fraud and Corruption Policy designed to:
- Promote standards of honest and fair conduct ;
  - encourage prevention of fraud and corruption ;
  - encourage prevention of bribery;
  - promote detection ;
  - identify a clear process for investigation and remedial action ;
  - pursue a zero-tolerance policy and bring to justice all persons who commit acts of fraud or corruption against the Council ;
  - recover any losses incurred by the Council ; and
  - maintain strong systems of internal control.
- 1.3 The Council expects that Members and staff at all levels will adopt the highest standards of propriety and accountability and will lead by example by ensuring adherence to legal requirements, rules, regulations and agreed policies, practices and procedures.
- 1.4 The Council also expects that individuals and organisations that come into contact with the Authority e.g. the public, suppliers and contractors, will act with integrity and without intent or actions involving fraud and corruption.
- 1.5 Internal scrutiny of the Council's affairs occurs as a result of:
- The Deputy Chief Executive and Borough Treasurers' Section 151 Local Government Act 1972 responsibilities to ensure the proper administration of the Council's financial affairs and Section 114 Local Government Finance Act 1988 responsibilities ;
  - the establishment of sound internal audit arrangements in accordance with the Accounts and Audit Regulations 2003 and ;
  - the responsibilities placed on the Borough Solicitor as Monitoring Officer under Section 5 of the Local Government and Housing Act 1989.
- 1.6 External Scrutiny of the Council's affairs occurs as a result of involvement by:
- Local Government Ombudsman;
  - External Auditor appointed by the Audit Commission;
  - Central Government Department;
  - HM Revenue & Customs;
  - The Department for Work and Pensions; and
  - the general public via the annual inspection of the accounts and the Council's complaints procedure.

Part of the external auditor's statutory duties require them to ensure that the Council has in place adequate arrangements for the prevention and detection of fraud and corruption.

1.7 Fraud and Corruption are defined by the Audit Commission as:-

Fraud - “the intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain”.

Corruption – “the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person”.

1.8 This policy document embodies a series of measures designed to frustrate any attempt of a fraudulent or corrupt act. These cover:

- |                               |           |
|-------------------------------|-----------|
| ➤ Culture                     | Section 2 |
| ➤ Prevention                  | Section 3 |
| ➤ Detection and Investigation | Section 4 |
| ➤ Training                    | Section 5 |

1.9 The following list highlights the key documents (held within the Council's Constitution) that together form the overall framework for the proper conduct of business within this Council.

- Delegations to Officers
- Access to Information Rules
- Contract Procedure Rules
- Financial Procedure Rules
- Codes & Protocols
- Codes of Conduct – Members & Officers
- Money Laundering Policy (Appendix 1)
- Anti Bribery Policy (Appendix 2)
- Whistleblowing Policy (Appendix 3)

## 2. CULTURE

2.1 The Council has determined that the culture and tone of the Authority is one of honesty, openness, integrity, accountability and opposition to fraud and corruption. The prevention/detection of fraud and corruption and the protection of the public purse is everyone's responsibility.

2.2 The Council's Members and staff play an important role in creating and maintaining this culture. They are positively encouraged to raise any matters that concern them relating to the Council's method of operation.

2.3 Full details of the arrangements for reporting concerns can be found in the Fraud Response Plans and the Council's Whistleblowing Policy. Concerns can be raised knowing that they will be treated seriously and will be properly investigated in a confidential and impartial manner. In raising concerns staff can be assured that there will be no victimisation, anonymity will be respected and it will not affect their current employment situation or future prospects with the Council.



2.4 Concerns should be raised in the first instance directly with the line manager or if this is not appropriate then the Whistleblowing Policy outlines other appropriate channels. In addition to these channels, concerns can also be raised with any of the following:-

- any Trade Union representative ;
- any member of Internal Audit either directly or via the publicised 24 hour fraud hotline (023 9254 5308) ;
- the publicised benefit fraud hotline (02392 545545) in the case of suspected benefit fraud ;
- an external investigator such as the External Auditor.

The Council will ensure that any allegations received in any way including anonymously will be taken seriously and investigated in an appropriate manner.

2.5 There is an expectation and requirement that all members of the public, partners, organisations, suppliers and contractors associated in whatever way with the Council will act with integrity and they are encouraged to raise any issues that concern them through whichever channel they consider appropriate. The numbers of two direct dial telephone lines are publicised, one is for the receipt of benefit fraud information and the other is for any other suspected fraud and corruption information (see 2.4 above).

2.6 Chief Officers are required to ensure that the risks of fraud and corruption are effectively managed at strategic and operational levels, with competent and trained staff working within systems that incorporate effective anti-fraud and corruption controls. Chief Officers must act in accordance with the Council's Financial Procedure Rules when dealing with any allegations of fraud and corruption.

2.7 When it is found that fraud and corruption has occurred due to a breakdown in the Council's systems or procedures, responsible Service Unit Managers will ensure that appropriate improvements in systems of control are implemented in order to prevent a reoccurrence.

2.8 The Council will work in partnership with the Police and other public bodies and will maximise the use of internal and external data matching. A robust approach will be taken in all proven cases of financial malpractice, fraud or corruption including where appropriate, use of the Council's disciplinary procedures. A similar approach will be taken in relation to any allegations that are found subsequently to be malicious.

2.9 The Council will respect the Human Rights Act 1998 but it will use all possible lawful means to protect Council services and finances from fraudsters and it will fully meet relevant legislative requirements relating to fraud and corruption including the Regulation of Investigatory Powers Act (RIPA) 2000, the Proceeds of Crime Act 2005 and Money Laundering Regulations 2007.

### **3. PREVENTION**

#### **3.1 STAFF**

- 3.1.1 The Council recognises that a key preventative measure in the fight against fraud and corruption is to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential staff. In this regard, temporary and contract staff should be treated in the same manner as permanent staff.
- 3.1.2 Staff recruitment will be in accordance with the Council's policies and procedures. Written references covering the known honesty and integrity of potential staff and evidence of qualifications will always be obtained before offers of employment are made. Further checks may be introduced in areas where an increased risk of potential fraud and corruption has been identified. There will be an open and fair policy of recruitment with no 'canvassing' and 'favouritism' and the Council's Equal Opportunities Policy will be adhered to during this process.
- 3.1.3 Staff are expected to follow standards of conduct laid down by the Council's Code of Conduct for Employees, National Agreement on Pay and Conditions of Service, any other codes of practice and by professional bodies of which they are members. In the latter instance, the Council will report known impropriety to the relevant Institution for them to consider appropriate disciplinary action.
- 3.1.4 The Council's Disciplinary Procedure is administered by the Head of Paid Service and is to be followed when staff are suspected of committing a fraudulent or corrupt act.
- 3.1.6 All staff are required to declare in a register any offers of gifts or hospitality which are in any way related to the performance of their duties in relation to the Authority. The Employee Gifts and Hospitality Register is held by the Borough Solicitor.
- 3.1.7 Staff must declare any pecuniary interests in contracts to the Monitoring Officer that have been or are proposed to be entered into by the Council, in accordance with Section 117 of the Local Government Act 2000. The legislation also prohibits the acceptance of fees or rewards other than by means of proper remuneration.
- 3.1.8 Staff should also disclose any personal and private non-pecuniary interests to the Monitoring Officer. This includes membership of any organisation which is not open to the public without formal membership and commitment of allegiance and which has secrecy about rules or membership or conduct.
- 3.1.9 Guidance on offers of gifts or hospitality and disclosure of pecuniary and non-pecuniary interests can be found in the Code of Conduct for Employees.
- 3.1.10 Management at all levels are responsible for ensuring that their staff are aware of the Council's Financial Procedure Rules and that their requirements are being met. They are also responsible for the operation, management and

monitoring of the internal control systems within their service areas. Under Regulation 4 of the Accounts and Audit Regulations 2003 the Council has to maintain a sound system of internal control which facilitates the effective exercise of that body's functions and includes arrangements for the management of risk. To facilitate this, Managers are therefore required to give reasonable assurance that internal controls within their service areas are operating satisfactorily.

- 3.1.11 Managers should strive to create an environment in which their staff feel able to approach them with concerns they may have about suspected irregularities.

## **3.2 MEMBERS**

- 3.2.1 Members are required to operate within:

- Government Legislation including the National Code of Local Government Conduct;
- The Code of Conduct for Members of the Council and the Code of Practice for Members on Gifts and Hospitality;
- Council Contract Procedure Rules and Financial Procedure Rules;
- Any locally adopted Codes or Rules as listed within the Council's Constitution.

- 3.2.2 These matters are specifically brought to the attention of Members on election to office by the Chief Executive and subsequent training. The Local Government Act 2000 requires all Members to sign an undertaking to observe the Code of Conduct and they are advised of new legislative or procedural requirements.

- 3.2.3 Members are required to compulsorily provide specific information concerning their financial and other interests and keep this information up to date. The Members Register of Interests is held by the Council's Borough Solicitor.

- 3.2.4 Adherence to these matters is overseen by the Council's Standards and Governance Committee which has independent representatives within its membership and is responsible for the ethical framework of the Council working closely with the Chief Executive, Deputy Chief Executive & Borough Treasurer and Borough Solicitor.

- 3.2.5 The Council's Standards and Governance Committee is responsible for promoting and maintaining high standards of conduct by elected Members, co-opted members and officers of the Council; for the Members' codes of conduct; for the Council's protocols and ethical guidance; and for dealing with complaints about councillors in so far as permitted by law. It has the task of overseeing the Council's complaints procedure and reviewing the Constitution and making recommendations for changes and revisions to it to the Full Council.

## **3.3 SYSTEMS**

- 3.3.1 The Council has in place Delegations to Officers, Codes and Protocols, Financial Procedure Rules and Access to Information Rules within its Constitution that place duties on all Members and employees to act in accordance with best practice when dealing with the affairs of the Council.

- 3.3.2 The Deputy Chief Executive & Borough Treasurer has a statutory responsibility under Section 151 of the Local Government Act 2000 to ensure proper administration of the Council's financial affairs. In addition, under the Accounts and Audit Regulations 2003, the Council is required to maintain an adequate and effective internal audit of its financial records and systems of internal control.
- 3.3.3 The Borough Solicitor has a statutory responsibility under Section 5 of the Local Government and Housing Act 1989 and the Local Government Act 2000 to ensure the lawfulness and fairness of decision making and with the Standards Committee to promote and maintain high standards of conduct.
- 3.3.4 The Council is committed to systems which incorporate efficient and effective internal controls and which include adequate separation of duties. It is also committed to satisfy the requirements of the Bribery Act 2010. All Service Unit Managers are required to ensure that such controls, including those in a computerised environment, are properly maintained and documented.
- 3.3.5 Internal and External Audit regularly assess the adequacy, efficiency and effectiveness of the Council's financial systems having regard to the risks of fraud and corruption. Any weaknesses identified will be reported to management who will ensure that corrective action is taken. The Section 151 Officer (Deputy Chief Executive & Borough Treasurer) will use his statutory power to enforce the required changes if necessary via the Council's Standards and Governance Committee.
- 3.3.6 The Council encourages liaison with other external agencies to exchange information where possible and appropriate to help prevent and detect fraud and corruption. These agencies include:
- Other Local Authorities and statutory Authorities ;
  - Treasurers Associations and Societies ;
  - Local, regional and national Auditor networks ;
  - Government Departments ;
  - Police ;
  - Audit Commission (National Fraud Initiative) ;
  - National & Local Anti-Fraud Network and ;
  - Housing Benefit Matching Service;
  - National Fraud Initiative.
- 3.3.7 The Head of Internal Audit & Risk Assurance is the Council's appointed Money Laundering Reporting Officer (MLRO) in accordance with the Council's Anti-Money Laundering Policy.

#### **4. DETECTION AND INVESTIGATION**

- 4.1 The Council's preventative systems, particularly internal control systems, provide indicators of, and help to deter any fraudulent activity.
- 4.2 It is the responsibility of all staff to prevent and detect fraud and corruption. However, it is often the alertness of members, staff and the general public to the possibility of fraud and corruption that enables detection to occur and appropriate action to take place.

- 4.3 Despite the best efforts of the Council, frauds are often discovered by chance or 'tip-off' and the Council has in place arrangements to enable such information to be properly and promptly dealt with.
- 4.4 Members, Chief Officers and staff are required by Financial Procedure Rules to notify the Head of Internal Audit & Risk Assurance immediately of any instances or suspected instances of fraud and corruption. This is essential to the success of this policy and :
- ensures the consistent treatment of information regarding fraud and corruption and ;
  - facilitates a thorough independent investigation of any allegation received.
- 4.5 Suspicions that any transaction or dealing may involve the proceeds of crime should be reported to the Head of Internal Audit & Risk Assurance (MLRO) who will ensure such suspicions are reported to the relevant authorities as required by the regulations governing Money Laundering.
- 4.6 Depending on the nature and anticipated extent of the allegations, the investigating officer, usually the Head of Internal Audit & Risk Assurance and in the case of benefit fraud the Benefit Fraud Investigator, will ensure that all allegations and evidence are properly investigated and reported upon and will work closely with management and other agencies such as the Police to achieve this.
- 4.7 Procedures for dealing with the investigation of fraud and corruption are included in the Audit Manual of the Internal Audit section. Procedures and conduct for dealing with the investigation of benefit fraud are included in the Benefit Fraud Procedures Manual.
- 4.8 The Council's disciplinary procedures will be invoked where the outcome of the investigation indicates improper behaviour by a member of staff. In addition, if appropriate, offenders will be reported to the Police where financial impropriety is discovered.
- 4.9 The Council's Benefit Fraud Prosecution / Sanction Policy will be followed where the outcome of the investigation indicates benefit fraud. Where the Policy criteria are satisfied, offenders will be reported to the Police.
- 4.10 All investigations into suspected instances of fraud and corruption undertaken by the Council shall comply with the requirements of the Human Rights Act 1998, Regulation of Investigatory Powers Act 2000 and have regard to the Police and Criminal Evidence Act 1984.
- 4.11 The Council will also aim to recover from the perpetrators any losses that it sustains as a result of fraud and corruption.
- 4.12 Where appropriate, the Council will publicise the results of any action taken, including prosecutions, with regard to fraud and corruption activity perpetrated on the Council.

- 4.13 The Council's arrangements for the prevention, detection and investigation of suspected fraud and corruption are subject to review by the Council's external auditors.

## **5. TRAINING**

- 5.1 The Council recognises that the success of its Anti-Fraud and Corruption Policy and its general credibility will depend largely on how effectively it is communicated throughout the Council and beyond, together with the effectiveness of programmed training and the responsiveness of staff throughout the Authority.
- 5.2 To facilitate this, all managers are responsible for ensuring that this Policy and the related policies and procedures to which it refers, are communicated to their staff in order to promote greater awareness of fraud and corruption.
- 5.3 All managers should ensure that positive and appropriate training provision is made for all employees involved in key internal control systems to ensure that their responsibilities and duties in this respect are regularly highlighted and reinforced.
- 5.4 It is the responsibility of all staff to ensure they are familiar with this and associated policies and regularly review their contents.
- 5.5 Induction and refresher training for Members will be provided by the Head of Internal Audit & Risk Assurance.
- 5.6 Investigation of fraud and corruption is undertaken by the Internal Audit and Benefit Sections. Staff involved in this work will be properly and regularly trained.

## **6. CONCLUSION**

- 6.1 The Council has in place a robust network of policies, guidelines, systems and procedures which are designed to limit, as far as is practicable, acts of fraud and corruption and to detect and assist it in dealing with fraud and corruption should it occur. All such measures will be kept under review to ensure they keep pace with any developments in fraud prevention and detection techniques.
- 6.2 The Council will maintain a continuous review of all its systems and procedures through the work of both its Policy & Performance and Internal Audit sections.
- 6.3 The Council will continuously review its key policy documents including this Anti-Fraud and Corruption Policy.

**GOSPORT BOROUGH COUNCIL**

**ANTI MONEY LAUNDERING POLICY**

**1.0 INTRODUCTION**

- 1.1. The Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering Regulations 2007 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering.

**2.0 SCOPE OF THE POLICY**

- 2.1 This Policy applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed (for example the reporting of suspicions of money laundering activity) to enable the Council to comply with its legal obligations.
- 2.2 Further information is set out in the accompanying Guidance Note. Both the Policy and the Guidance Notes sit alongside the Council's Whistleblowing Policy, Anti-Fraud and Corruption Strategy and its Anti Bribery Policy.
- 2.3 Failure by a member of staff to comply with the procedures set out in this Policy may lead to disciplinary action being taken against them. Any disciplinary action will be dealt with in accordance with the Council's Disciplinary and Capability Procedure.

**3.0 WHAT IS MONEY LAUNDERING?**

- 3.1 Money laundering is the term used for a number of offences involving the proceeds of crime or terrorism funds. The following constitute the act of money laundering:
- concealing, disguising, converting, transferring criminal property or removing it from the UK (section 327 of the 2002 Act); or
  - entering into or becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person (section 328); or
  - acquiring, using or possessing criminal property (section 329).

These are the primary money laundering offences, and are therefore prohibited acts under the legislation. There are also two secondary offences: failure to disclose any of the three primary offences and tipping off. Tipping off is where someone informs a person or people who are, or who are suspected of being involved in money laundering, in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

- 3.2 Potentially any member of staff could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way and/or do nothing about it. The Guidance Note gives practical examples. This Policy sets out how any concerns should be raised.
- 3.3 Whilst the risk to the Council of contravening the legislation is low, ***it is extremely important that all employees are familiar with their legal responsibilities: serious criminal sanctions may be imposed for breaches of the legislation. The key requirement on employees is to promptly report any suspected money laundering activity to the Money Laundering Reporting Officer.***

#### **4.0 WHAT ARE THE OBLIGATIONS ON THE COUNCIL?**

- 4.1 Organisations conducting “relevant business” must:
- appoint a Money Laundering Reporting Officer (“MLRO”) to receive disclosures from employees of money laundering activity (their own or anyone else’s);
  - implement a procedure to enable the reporting of suspicions of money laundering;
  - maintain client identification procedures in certain circumstances; and
  - maintain record keeping procedures.
- 4.2 Not all of the Council’s business is “relevant” for the purposes of the legislation: it is mainly accountancy and audit services and the financial, company and property transactions undertaken by Legal Services. However, the safest way to ensure compliance with the law is to apply them to all areas of work undertaken by the Council; therefore, **all** staff are required to comply with the reporting procedure set out in section 6 below.
- 4.3 The following sections of this Policy provide further detail about the requirements listed in paragraph 4.1.



## **5.0 THE MONEY LAUNDERING REPORTING OFFICER**

- 5.1 The officer nominated to receive disclosures about money laundering activity within the Council is the Head of Internal Audit & Risk Assurance, Christopher Davis. He can be contacted as follows:

Christopher Davis  
Head of Internal Audit & Risk Assurance  
Gosport Borough Council  
Town Hall  
High Street  
Gosport  
Hampshire  
PO12 1EB

e-mail: [chris.davis@gosport.gov.uk](mailto:chris.davis@gosport.gov.uk)

Telephone: 02392 545306

- 5.2 In the absence of the MLRO, the Principal Auditor, Angela Nally, is authorised to deputise for him. Angela can be contacted at the above address or on telephone number 02392 545376 (direct line).

## **6.0 DISCLOSURE PROCEDURE**

### **Cash Payments**

- 6.1 No payment to the Council will be accepted in cash (including notes, coins or travellers' cheques in any currency) if it exceeds £5,000.

### **Reporting to the Money Laundering Reporting Officer**

- 6.2 Where it is suspected that money laundering activity is taking/has taken place, or an employee becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, this must be disclosed as soon as practicable to the MLRO. The disclosure should be within "hours" of the information coming to the employee's attention, not weeks or months later. **SHOULD THIS NOT BE DONE, THEN THE EMPLOYEE MAY BE LIABLE TO PROSECUTION.**

6.3 Disclosure should be made to the MLRO using the proforma report attached at Appendix 1. The report must include as much detail as possible, for example:

- Full details of the people involved (including the employee, if relevant), e.g. name, date of birth, address, company names, directorships, phone numbers, etc;
- Full details of the nature of involvement;
  - If the employee is concerned that their involvement in the transaction would amount to a prohibited act under sections 327 – 329 of the 2002 Act, then the report must include all relevant details, as the employee will need consent from the Serious Organised Crime Agency (SOCA), via the MLRO, to take any further part in the transaction - this is the case even if the client gives instructions for the matter to proceed before such consent is given.
  - The employee should therefore make it clear in the report if such consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline;
- The types of money laundering activity involved:
  - if possible, cite the section number(s) under which the report is being made e.g. a principal money laundering offence under the 2002 Act (or 2000 Act), or general reporting requirement under section 330 of the 2002 Act (or section 21A of the 2000 Act), or both;
- The dates of such activities, including:
  - whether the transactions have happened, are ongoing or are imminent;
    - Where they took place;
    - How they were undertaken;
    - The (likely) amount of money/assets involved;
    - Why, exactly, you are suspicious – SOCA will require full reasons;

along with any other available information to enable the MLRO to make a sound judgment as to whether there are reasonable grounds for knowledge or suspicion of money laundering and to enable him to prepare his report to SOCA, where appropriate. Copies of any relevant supporting documentation should be enclosed.

- 6.4 Once the matter is reported to the MLRO, employees must follow any directions he may give. The employee **must NOT make any further enquiries into the matter themselves**: any necessary investigation will be undertaken by SOCA. All members of staff will be required to co-operate with the MLRO and the authorities during any subsequent money laundering investigation.
- 6.5 Similarly, **at no time and under no circumstances should the employee voice any suspicions** to the person(s) suspected of money laundering, even if SOCA has given consent to a particular transaction proceeding, without the specific consent of the MLRO; otherwise a criminal offence of “tipping off” (see the Guidance Note for further details) may be committed.
- 6.6 No reference should be made on a personal file to a report having been made to the MLRO – should the person exercise their right to see the file, then such a note will obviously tip them off to the report having been made and may render an employee liable to prosecution. The MLRO will keep the appropriate records in a confidential manner.

#### **Consideration of the disclosure by the Money Laundering Reporting Officer**

- 6.7 Upon receipt of a disclosure report, the MLRO must note the date of receipt on his section of the report and acknowledge receipt of it. He should also advise the employee of the timescale within which he expects to respond.
- 6.8 The MLRO will consider the report and any other available internal information he thinks relevant e.g.

- reviewing other transaction patterns and volumes;
- the length of any business relationship involved;
- the number of any one-off transactions and linked one-off transactions;
- any identification evidence held;

and undertake such other reasonable inquiries he thinks appropriate in order to ensure that all available information is taken into account in deciding whether a report to SOCA is required (such enquiries being made in such a way as to avoid any appearance of tipping off those involved). The MLRO may also need to discuss the report with the employee.

- 6.9 Once the MLRO has evaluated the disclosure report and any other relevant information, he must make a timely determination as to whether:
- there is actual or suspected money laundering taking place; or
  - there are reasonable grounds to know or suspect that is the case; and
  - whether he needs to seek consent from SOCA for a particular transaction to proceed.
- 6.10 Where the MLRO does so conclude, then he must disclose the matter as soon as practicable to SOCA on their standard report form and in the prescribed manner, unless he has a reasonable excuse for non-disclosure to SOCA (for example, a lawyer can claim legal professional privilege for not disclosing the information).
- 6.10.1 Where the MLRO suspects money laundering but has a reasonable excuse for non-disclosure, then he must note the report accordingly; he can then immediately give his consent for any ongoing or imminent transactions to proceed.
- 6.10.2 In cases where legal professional privilege may apply, the MLRO must liaise with the legal adviser to decide whether there is a reasonable excuse for not reporting the matter to SOCA.
- 6.10.3 Where consent is required from SOCA for a transaction to proceed, then the transaction(s) in question must not be undertaken or completed until SOCA has specifically given consent, or there is deemed consent through the expiration of the relevant time limits without objection from SOCA.
- 6.11 Where the MLRO concludes that there are no reasonable grounds to suspect money laundering then he shall mark the report accordingly and give his consent for any ongoing or imminent transaction(s) to proceed.
- 6.12 All disclosure reports referred to the MLRO and reports made by him to SOCA must be retained by the MLRO in a confidential file kept for that purpose, for a minimum of five years.
- 6.13 ***The MLRO commits a criminal offence if he knows or suspects, or has reasonable grounds to do so, through a disclosure being made to him, that another person is engaged in money laundering and he does not disclose this as soon as practicable to SOCA.***

## 7.0 CUSTOMER DUE DILIGENCE

7.1 Where the Council is carrying out certain 'regulated activities' then extra care needs to be taken to check the identity of the customer or client – this is known as carrying out Customer Due Diligence.

7.2 Customer due diligence means:

- (a) identifying the customer and verifying the customer's identity on the basis of documents, data or information obtained from a reliable and independent source;
- (b) identifying, where there is a beneficial owner who is not the customer, the beneficial owner and taking adequate measures, on a risk-sensitive basis, to verify his identity so that the relevant person is satisfied that he knows who the beneficial owner is, including, in the case of a legal person, trust or similar legal arrangement, measures to understand the ownership and control structure of the person, trust or arrangement; and
- (c) obtaining information on the purpose and intended nature of the business relationship.

7.2 The Regulations regarding customer due diligence are detailed and complex, but there are some simple questions that will help decide if it is necessary:

- Is the service a regulated activity (see 7.3)?
- Is the Council charging for the service i.e. is it 'by way of business'?
- Is the service being provided to a customer other than a UK public authority?

If the answer to any of these questions is **no** then there is no need to carry out customer due diligence

If the answer to all these questions is **yes** then customer due diligence must be carried out before any business is undertaken for that client. If there is uncertainty whether customer due diligence is required then the MLRO should be contacted for advice.

7.3 Regulated activity is defined as the provision 'by way of business' of: advice about tax affairs; accounting services; treasury management, investment or other financial services; audit services; legal services; estate agency; services involving the formation, operation or arrangement of a company or trust or; dealing in goods wherever a transaction involves a cash payment of £5,000 or more."

- 7.4 Where customer due diligence is required then evidence of identity must be sought, for example:
- checking with the customer's website to confirm their business address;
  - conducting an on-line search via Companies House to confirm the nature and business of the customer and confirm the identities of any directors;
  - seeking evidence from the key contact of their personal identity, for example their passport, and position within the organisation.
- 7.5 The requirement for customer due diligence applies immediately for new customers and should be applied on a risk sensitive basis for existing customers. Ongoing customer due diligence must also be carried out during the life of a business relationship but should be proportionate to the risk of money laundering and terrorist funding, based on the officer's knowledge of the customer and a regular scrutiny of the transactions involved.
- 7.6 If, at any time, it is suspected that a client or customer for whom the Council is currently, or is planning to carry out, a regulated activity is carrying out money laundering or terrorist financing, or has lied about their identity then this must be reported to the MLRO.
- 7.7 In certain circumstances enhanced customer due diligence must be carried out for example where:
- The customer has not been physically present for identification
  - The customer is a politically exposed person
  - There is a beneficial owner who is not the customer – a beneficial owner is any individual who: holds more than 25% of the shares, voting rights or interest in a company, partnership or trust.
- 7.8 Enhanced customer due diligence could include any additional documentation, data or information that will confirm the customer's identity and / or the source of the funds to be used in the business relationship / transaction. If it is believed that enhanced customer due diligence is required then the MLRO should be consulted prior to carrying it out.

## **8.0 RECORD KEEPING PROCEDURES**

8.1 Each unit of the Council conducting relevant business must maintain records of:

- client identification evidence obtained; and
- details of all relevant business transactions carried out for clients

for at least five years. This is so that they may be used as evidence in any subsequent investigation by the authorities into money laundering.

8.2 The precise nature of the records is not prescribed by law however they must be capable of providing an audit trail during any subsequent investigation, for example distinguishing the client and the relevant transaction and recording in what form any funds were received or paid. In practice, the business units of the Council will be routinely making records of work carried out for clients in the course of normal business and these should suffice in this regard.

8.3 An electronic copy of every customer due diligence record must be sent to the MLRO to meet the requirements of the Regulations and in case of inspection by the relevant supervising body.

## **9.0 CONCLUSION**

9.1 The legislative requirements concerning anti-money laundering procedures are lengthy and complex. This Policy has been written so as to enable the Council to meet the legal requirements in a way which is proportionate to the very low risk to the Council of contravening the legislation.

9.2 Any concerns whatsoever regarding any transactions should be reported to the MLRO.

## **10.0 FURTHER INFORMATION**

10.1 Further information can be obtained from the MLRO and the following sources:

**[www.soca.gov.uk](http://www.soca.gov.uk)** – website of the Serious and Organised Crime Agency

“Proceeds of Crime (Anti-Money Laundering) – Practical Guidance for Public Service Organisations” – CIPFA

“Anti-Money Laundering (Proceeds of Crime and Terrorism) – Second Interim Guidance for Accountants” – CCAB (**[www.ccab.org.uk](http://www.ccab.org.uk)**)

Money Laundering Guidance at **[www.lawsociety.org.uk](http://www.lawsociety.org.uk)**

SI 2007 No. 2157 The Money Laundering Regulations 2007 at:

<http://www.hm->

[treasury.gov.uk/consultations\\_and\\_legislation/money\\_laundering\\_directive/consult\\_moneylaundering\\_2007.cfm](http://www.hm-treasury.gov.uk/consultations_and_legislation/money_laundering_directive/consult_moneylaundering_2007.cfm)



**CONFIDENTIAL (when completed)**

**Report to Money Laundering Reporting Officer**

**Re: Money Laundering Activity**

**To: CHRISTOPHER DAVIS, Money Laundering Reporting Officer**

From:

*[insert name of employee]*

Service:

*[insert post title and Service Unit]*

Ext/Tel No:

**DETAILS OF SUSPECTED OFFENCE:**

**Name(s) and address(es) of person(s) involved:**

*[if a company/public body please include details of nature of business]*

**Nature, value and timing of activity involved:**

*[Please include full details eg what, when, where, how.*

*Continue on a separate sheet if necessary]*

**Nature of suspicions regarding such activity:**

*[Please continue on a separate sheet if necessary]*

**Has any investigation been undertaken (as far as you are aware)?**

*[Please tick the relevant box]*

No

☐ Yes ☐

**If yes, please include details below:**

**Have you discussed your suspicions with anyone else?**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please specify below, explaining why such discussion was necessary:**

**Have you consulted any supervisory body guidance re money laundering? (e.g. the Law Society)**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please specify below:**

**Do you feel you have a reasonable excuse for not disclosing the matter to SOCA? (e.g. are you a lawyer and wish to claim legal professional privilege?)**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please set out full details below:**

**Are you involved in a transaction which might be a prohibited act under sections 327- 329 of the Act and which requires appropriate consent from SOCA?**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please enclose details in the box below:**

**Please set out below any other information you feel is relevant:**

**Signed:**

**Dated:**

***Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence, which carries a maximum penalty of 5 years' imprisonment.***

**THE FOLLOWING PART OF THIS FORM IS FOR COMPLETION BY THE MLRO**

**Date report received:**

**Date receipt of report acknowledged:**

**CONSIDERATION OF DISCLOSURE:**

**Action plan:**

**OUTCOME OF CONSIDERATION OF DISCLOSURE:**

**Are there reasonable grounds for suspecting money laundering activity?**

**If there are reasonable grounds for suspicion, will a report be made to SOCA?**

*[Please tick the relevant box]*

☐ Yes ☐ No

**If yes, please confirm date of report to SOCA:  
and complete the box below:**

**Details of liaison with SOCA regarding the report:**

**Notice Period:** to

**Moratorium Period:** to

**Is consent required from SOCA to any ongoing or imminent transactions which would otherwise be prohibited acts?** ☐ Yes ☐ No

**If yes, please confirm full details in the box below:**

**Date consent received from SOCA:**

**Date consent given by you to employee:**

**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to SOCA, please set out below the reason(s) for non-disclosure:**

*[Please set out any reasonable excuse for non-disclosure]*

**Date consent given by you to employee for any prohibited act transactions to proceed:**

**Other relevant information:**

**Signed:** ..... **Dated:** .....

**THIS REPORT TO BE RETAINED FOR AT LEAST FIVE YEARS**



## Anti-Bribery Policy

### Introduction

Gosport Borough Council values its reputation for ethical behaviour and for financial probity and reliability. It recognises that over and above the commission of any crime, any involvement in bribery will also reflect adversely on its image and reputation. Its aim therefore is to limit its exposure to bribery by:

- Setting out a clear anti-bribery policy;
- Training all employees so that they can recognise and avoid the use of bribery by themselves and others;
- Encouraging its employees to be vigilant and to report any suspicion of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately;
- Rigorously investigating instances of alleged bribery and assisting the police and other appropriate authorities in any resultant prosecution;
- Taking firm and vigorous action against any individual(s) involved in bribery.

### The Policy

*The Council prohibits:*

the offering, the giving, the solicitation or the acceptance of any bribe, whether cash or other inducement

*to or from*

any person or company, wherever they are situated and whether they are a public official or body or private person or company

*by*

any individual employee, agent or other person or body acting on the Council's behalf

*in order to*

gain any commercial, contractual or regulatory advantage for the Council in a way which is unethical

*or in order to*

gain any personal advantage, pecuniary or otherwise, for the individual or anyone connected with the individual

**Further Clarification**

The Council recognises that market practice varies across the territories in which it does business and what is normal and acceptable in one place may not be in another. This policy prohibits any inducement which results in a personal gain or advantage to the recipient or any person or body associated with them, and which is intended to influence them to take action which may not be solely in the interests of the Council.

This policy is not meant to prohibit the following practices providing they are customary in a particular market, are proportionate and are properly recorded:

- normal and appropriate hospitality
- the giving of a ceremonial gift on a festival or at another special time

Inevitably, decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether a potential act constitutes bribery, the matter should be referred to the Monitoring Officer with responsibility for this policy before proceeding.

**Employee Responsibility**

The prevention, detection and reporting of bribery is the responsibility of all employees throughout the Council. Suitable channels of communication by which employees or others can report confidentially any suspicion of bribery will be maintained via the whistleblower's hotline (telephone number 02392 545308).

## **Whistleblowing Policy**

### **INTRODUCTION**

1. The word whistleblowing in this Policy refers to the disclosure internally or externally by workers of suspected malpractice, as well as illegal acts or omissions at work.

### **POLICY STATEMENT**

2. Gosport Borough Council is committed to achieving the highest possible standards of service and the highest possible ethical standards in public life and in all of its practices. To achieve these ends, it encourages freedom of speech. It also encourages staff to use internal mechanisms for reporting any malpractice or illegal acts or omissions by its employees or ex-employees.

### **OTHER POLICIES AND PROCEDURES**

3. Gosport Borough Council has a range of policies and procedures, which deal with standards of behaviour at work; they cover Discipline, Grievance, Harassment, Equality, Diversity and Recruitment and Selection. Employees are encouraged to use the provisions of these procedures when appropriate. There may be times, however, when the matter does not relate to an individual's personal employment position and needs to be handled in a different way.

Examples may be:-

- Malpractice or unfair treatment of a client/customer by a senior member of staff
- Repeated unfair treatment of a client/customer, despite a complaint being made
- A criminal offence has been committed, is being committed or is likely to be committed
- Suspected fraud
- Disregard for legislation, particularly in relation to health and safety at work
- The environment has been, or is likely to be, damaged
- Showing undue favour over a contractual matter or to a job applicant
- A breach of the Code of Conduct
- A breach of Financial Procedure Rules or Contract procedure Rules
- Information on any of the above has been, is being, or is likely to be concealed

This list is not exhaustive.

Gosport Borough Council will not tolerate any harassment or victimisation of a whistleblower (including informal pressures), and will treat this as a serious disciplinary offence, which will be dealt with under the Disciplinary Rules and Procedures.

**Hotline telephone number is 02392 545308 (24hr)**

**or**

**Public Concern at Work 0207 404 6609**

An independent authority which seeks to ensure that **concerns** about malpractice are properly raised and addressed in the workplace.